Continental
The Future in Motion

Unlocking New Strengths.

2024 Annual Report

Continental Group 2024

- › Sales at €39.7 billion
- › Adjusted EBIT margin at 6.8%
- › Equity ratio at 40.0%

Key Figures

€ millions	2024	2023	Δ in %
Sales	39,719	41,421	–4.1
EBITDA	4,498	4,079	10.3
in % of sales	11.3	9.8	
EBIT	2,287	1,854	23.4
in % of sales	5.8	4.5	
Net income attributable to the shareholders of the parent	1,168	1,156	1.0
Basic earnings per share in €	5.84	5.78	1.0
Diluted earnings per share in €	5.84	5.78	1.0
Adjusted sales[1]	39,678	41,373	–4.1
Adjusted operating result (adjusted EBIT)[2]	2,694	2,526	6.6
in % of adjusted sales	6.8	6.1	
Free cash flow	1,114	1,159	–3.9
Net indebtedness	3,712	4,038	–8.1
Gearing ratio in %	25.1	28.6	
Total equity	14,798	14,125	4.8
Equity ratio in %	40.0	37.4	
Number of employees as at December 31[3]	190,159	202,763	–6.2
Dividend per share in €	2.50[4]	2.20	13.6
Share price at year end[5] in €	64.82	76.92	–15.7
Share price at year high[5] in €	77.50	78.26	–1.0
Share price at year low[5] in €	51.90	59.20	–12.3

1 Before changes in the scope of consolidation.
2 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.
3 Excluding trainees.
4 Subject to the approval of the Annual Shareholders' Meeting on April 25, 2025.
5 All market prices are quotations of the Continental share in the Xetra system of Deutsche Börse AG. Data source: Bloomberg.

Overview of the Continental Group and 2024 Key Figures

Structure of the Continental Group in 2024

Continental Group

Sales: €39.7 billion; Employees: 190,159

Automotive	Tires	ContiTech	Contract Manufacturing
Sales: €19.4 billion Employees: 92,581	Sales: €13.9 billion Employees: 57,060	Sales: €6.4 billion Employees: 39,211	Sales: €0.2 billion Employees: 772

Key figures for the group sectors

	Automotive			Tires			ContiTech			Contract Manufacturing		
€ millions	**2024**	2023	Δ in %	**2024**	2023	Δ in %	**2024**	2023	Δ in %	**2024**	2023	Δ in %
Sales	19,416	20,295	-4.3	13,861	13,958	-0.7	6,386	6,842	-6.7	239	512	-53.4
EBITDA	1,323	982	34.7	2,663	2,586	3.0	562	693	-19.0	26	29	-8.9
in % of sales	6.8	4.8		19.2	18.5		8.8	10.1		11.0	5.6	
EBIT	229	-57	498.5	1,870	1,743	7.3	261	380	-31.4	15	5	195.8
in % of sales	1.2	-0.3		13.5	12.5		4.1	5.6		6.3	1.0	
Adjusted sales[1]	19,416	20,287	-4.3	13,861	13,920	-0.4	6,345	6,841	-7.2	239	512	-53.4
Adjusted operating result (adjusted EBIT)[2]	454	401	13.2	1,902	1,877	1.3	393	455	-13.6	7	8	-12.1
in % of adjusted sales	2.3	2.0		13.7	13.5		6.2	6.7		2.9	1.6	

1 Before changes in the scope of consolidation.
2 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

This annual report has been prepared in euros. Unless otherwise stated, all amounts are shown in millions of euros (€ millions). Please note that differences may arise as a result of the use of rounded amounts and percentages.

“We have further strengthened the independence of our group sectors. Going forward they will need to act with greater flexibility and make the most of their entrepreneurial freedom.”

Nikolai Setzer
Chairman of the Executive Board

Contents

Chairman's Letter

Dear shareholders,

Continental posted good results for 2024 and initiated the realignment of the company. Against the backdrop of a weak macroeconomic environment – especially in our core market of Europe – and a global downturn in automotive production, our value-creation strategy is proving effective.

Our results in 2024 show that we achieved our annual targets for the Continental Group:

- We increased our adjusted EBIT margin from 6.1 percent in the previous year to 6.8 percent – a further step toward boosting our profitability.
- In the Automotive group sector, we continued to improve despite a challenging market environment, increasing the adjusted EBIT margin to 2.3 percent. This shows that the measures we have taken are having an impact and that Automotive – under the management of Philipp von Hirschheydt – is on the right track.
- The Tires group sector continues to perform strongly. With sales of €13.9 billion, Tires slightly increased its adjusted EBIT margin year-on-year to 13.7 percent. Tires holds a leading market position in high-performance and sustainable premium tires.
- Faced with a weak automotive and industrial environment, the ContiTech group sector saw a decline in earnings but nonetheless achieved its annual target, with an adjusted EBIT margin of 6.2 percent, thanks to a good fourth quarter. Continental also introduced further measures to strengthen ContiTech.
- At €1.05 billion our adjusted free cash flow is slightly higher than expected. This was mainly due to a positive cash contribution from the Automotive group sector, the good tire business and the reduction in inventories.

Achieving all this despite significant external challenges is a testament to our more than 190,000 employees around the world. They have worked tirelessly during this period of transformation to achieve the company's goals. Their commitment deserves the utmost recognition, gratitude and respect from the entire Executive Board.

Together, we have embarked on the implementation phase of our strategic plan. The goal is to tap into our full potential for creating value – in the interests of all our stakeholders.

Over the course of 2024, we further strengthened the independence of our group sectors. Building on a series of acquisitions since the mid-2000s, we have now shaped these technologically and culturally diverse business operations into competitive units. They have matured into independent players that going forward will need to act with greater flexibility and make the most of the extensive entrepreneurial freedom available to them.

With this in mind, we made the following strategic decisions last year:

› Subject to the approval of the Supervisory Board and the Annual Shareholders' Meeting of Continental AG, we plan to complete the spin-off of Automotive and Contract Manufacturing. Automotive is to be set up as an independent European company (Societas Europaea, SE) and listed on the Frankfurt stock exchange by the end of 2025.

› To strengthen the independence of Tires and ContiTech, Continental is further expanding the necessary business-related structures in both group sectors. At the same time, the group functions at the holding level are being streamlined, primarily in accordance with the legally required framework conditions.

› The Original Equipment Solutions (OESL) business area within the ContiTech group sector will also become independent prior to its planned sale.

These strategic measures will make our group sectors stronger – and create more value for you.

Continental achieved good results in 2024. And we want you, as our shareholders, to share in this accomplishment. The Executive Board and Supervisory Board will therefore propose a dividend of €2.50 per share to the Annual Shareholders' Meeting. By doing so, we want to underline our ambition as a worthwhile investment for investors with a focus on sustainability – and express our thanks for your trust in us as a company.

Despite the difficult market environment, we aim to continue our upward trajectory in 2025. We have set the right course and have our strategy to guide us, as we position ourselves to create the greatest possible value in the interests of all stakeholders.

Yours,
Nikolai Setzer

Nikolai Setzer
Chairman of the Executive Board

Members of the Executive Board

Philipp von Hirschheydt
Born in 1974 in Münden, Germany
Automotive Group Sector
Appointed until April 2026

Dr. Ariane Reinhart
Born in 1969 in Hamburg, Germany
Group Human Relations
Director of Labor Relations
Group Sustainability
Appointed until September 2025

Christian Kötz
Born in 1970 in Braunschweig, Germany
Tires Group Sector
Appointed until April 2027

Nikolai Setzer
Born in 1971 in Groß-Gerau, Germany
Chairman of the Executive Board
Group Communications and Public Affairs
Group Strategy
Group Purchasing
Group Information Technology
Contract Manufacturing Group Sector
Chinese Market
Appointed until March 2029

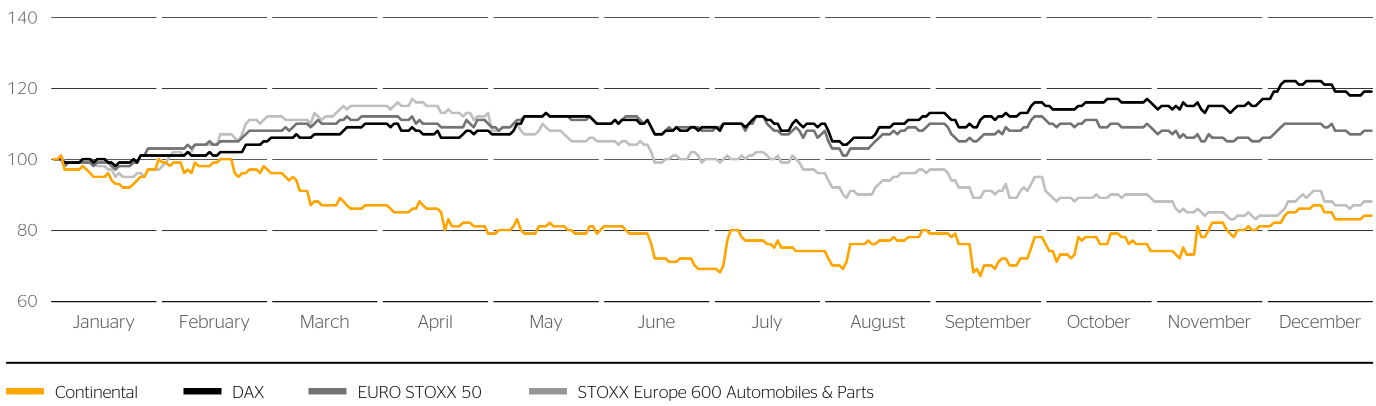
Philip Nelles
Born in 1974 in Berlin, Germany
ContiTech Group Sector
Appointed until May 2029

Olaf Schick
Born in 1972 in Tübingen, Germany
Group Finance and Controlling
Group Compliance
Group Internal Audit
Group Law and Intellectual Property
Group Quality, Technical Compliance,
Continental Business System and Environment
Group Risks and Controls
Term of office runs until September 2025

Continental Shares and Bonds

Price performance of Continental shares in 2024 versus selected stock indexes

Indexed to January 1, 2024



Data source: Bloomberg.

Positive trend on the stock markets
In 2024, the stock markets were influenced by a fall in inflation, the monetary policy decisions taken by central banks and corporate earnings in the artificial intelligence technology sector. Following an uncertain start to the year, the markets stabilized and then improved. This was driven by falling energy prices, stabilized supply chains and improved global growth indicators. Robust corporate earnings and a drop in base rates supported this development in many major economies. Although central banks lowered interest rates more slowly than expected and key economies such as China and Europe continued to trend downward, this had only a limited impact on the performance of the stock markets. In fact, falling inflation rates and an easing of monetary policy led to price increases in the first half of the year.

Inflation continued to ease as the year progressed, both in the USA and in the eurozone. In response to this, central banks such as the Federal Reserve and the European Central Bank (ECB) lowered their base rates, triggering a positive reaction on the stock markets. The European export industry benefited from a weaker euro against the US dollar, which in turn positively impacted share prices.

The DAX, which reached a new all-time high of 20,426.27 points in December 2024, closed the year at 19,909.14 points. This represented an increase of 18.8% compared with the end of 2023, when it was quoted at 16,751.64 points. The EURO STOXX 50 rose by 8.3% in 2024 and ended the year at 4,895.98 points.

Share price declines for traditional automotive stocks
The performance of automotive stocks was mixed in the first half of 2024. While certain companies benefited from an increase in demand and saw their share prices rise, other manufacturers were faced with production issues and weak sales markets. The performance of automotive stocks deteriorated over the course of the second quarter due to the political discussions concerning punitive tariffs between China and Europe. European and American automotive manufacturers suffered price losses from the middle of the year due to the decline in demand and associated weak results. In addition to macroeconomic uncertainties, the transformation to electric mobility and challenges in Asia also led to share price declines. By contrast, new automotive manufacturers, particularly from China, gained market share and saw share prices rise.

Weak demand and the transformation meant that the majority of the automotive industry was forced to revise its 2024 targets downward, causing the share prices of many listed companies to fall. The STOXX Europe 600 Automobiles & Parts recorded a 12.2% loss in 2024 compared with the end of 2023, taking it to 551.47 points.

Continental shares suffer losses
Continental's share price performance was negative in the first quarter of 2024. After a fairly stable start to the year, the share price fell sharply toward the end of the first quarter. The share price continued to decline in the second quarter as a result of subdued expectations in the automotive industry and inflation effects, falling from €66.90 at the end of the first quarter to €52.90 at the end of the first half of the year. On April 29, 2024, the share price was marked down to reflect the dividend of €2.20 for fiscal 2023 resolved by the Annual Shareholders' Meeting. Continental's share price was volatile in the third quarter, with positive and negative momentum balancing each other out. The quarterly results and the announcement of the planned spin-off of the Automotive and Contract Manufacturing group sectors had a positive impact on the share price. Possible warranties in the brakes business, however, had the opposite effect. Continental shares ultimately made gains in the fourth quarter.

At the end of 2024, Continental's shares were listed at €64.82. This represented a decrease of 15.7% compared with the year-end price of €76.92 in 2023. Taking into account a reinvestment of the dividend paid out on the distribution date, the share price fell by 12.7% in 2024.

Continental bonds outstanding as at December 31, 2024

WKN/ISIN	Coupon p.a.	Maturity	Volume in € millions	Issue price	Price as at Dec. 31, 2024	Price as at Dec. 31, 2023
A2YPAE/XS2056430874	0.375%	June 27, 2025	600	99.802%	98.782%	96.117%
A28XTR/XS2178586157	2.500%	August 27, 2026	750	98.791%	99.614%	98.922%
A35138/XS2672452237	4.000%	March 1, 2027	500	99.658%	102.247%	102.347%
A30VQ4/XS2558972415	3.625%	November 30, 2027	625	100.000%	101.760%	101.708%
A351PU/XS2630117328	4.000%	June 1, 2028	750	99.445%	103.362%	103.346%
A383VK/XS2910509566	3.500%	October 1, 2029	600	99.946%	100.995%	–

Performance of Continental bonds

Interest rates for European corporate bonds with credit ratings similar to bonds of Continental remained stable in the period under review, despite some fluctuations due to geopolitical uncertainties and economic challenges. The ECB's interest rate cuts led to a normalization of the yield curve with lower interest rates for shorter maturities. The prices of Continental bonds maturing by 2026 rose year-on-year at the end of 2024, while prices of bonds with longer terms remained stable.

Successful placement of a euro bond

Under the Debt Issuance Programme (DIP), one new Continental AG euro bond was successfully placed with investors in Germany and abroad on September 24, 2024. The euro bond was issued on October 1, 2024, with an interest coupon of 3.500% p.a. and a term of five years. With a nominal volume of €600 million, the issue price amounted to 99.946%. The bond was launched on the regulated market of the Luxembourg stock exchange on October 1, 2024.

Repayment of a euro bond

The price of the 1.125% Continental bond that matured on September 25, 2024, started the year at 98.016%. On the due date, the repayment was made at a nominal value of €625 million.

Positive earnings per share

Cost-cutting measures, price adjustments and efficiency improvements led to a positive earnings trend in the reporting year, despite weak production volumes. Consequently, net income attributable to the shareholders of the parent increased to €1,168 million in fiscal 2024 (PY: €1,156 million). Earnings per share amounted to €5.84 in 2024 (PY: €5.78).

Dividend proposal of €2.50 for fiscal 2024

The Executive Board and the Supervisory Board have resolved to propose to the Annual Shareholders' Meeting, which will be held in Hanover on April 25, 2025, that a dividend of €2.50 per share be paid out for the past fiscal year and that the retained earnings for fiscal 2024 be allocated to other revenue reserves. For fiscal 2023, a dividend of €2.20 per share was paid out on May 2, 2024.

Share capital unchanged

As at the end of fiscal 2024, the share capital of Continental AG still amounted to €512,015,316.48. It is divided into 200,005,983 no-par-value shares with a notional value of €2.56 per share.

In line with Article 20 of Continental AG's Articles of Incorporation, each share grants one vote at the Shareholders' Meeting. The current Articles of Incorporation are available on our website www.continental.com under Company/Corporate Governance. All shares have the same dividend and voting rights.

Free float stable at 54.0%

As in the previous year, free float as defined by Deutsche Börse AG amounted to 54.0% as at the end of 2024. The most recent change took place on September 17, 2013, when our major shareholder, the IHO Group, Herzogenaurach, Germany, announced the sale of 7.8 million Continental shares, reducing its shareholding in Continental AG from 49.9% to 46.0%.

As at the end of 2024, the market capitalization of Continental AG amounted to €13.0 billion (PY: €15.4 billion). Market capitalization on the basis of free float averaged €7.0 billion over the last 20 trading days of the reporting year (PY: €8.0 billion). Free-float market capitalization is the decisive factor for index calculation in the regulatory framework of Deutsche Börse AG. At the end of 2024, Continental AG ranked 39th in terms of free-float market capitalization on the DAX (PY: 37th).

Free-float distribution largely stable in 2024

As at the end of the year, we once again determined the distribution of free float of Continental shares by way of shareholder identification. We were able to assign 106 million of the 108 million shares held in the form of shares or alternatively as American depositary receipts (ADRs) in the USA to 841 institutional investors, banks and asset managers across 50 countries. The identification ratio was 97.9% (PY: 99.9%).

The identified level of Continental shares held in Europe was lower than in the previous year at 47.7% of free float (PY: 51.1%). A major contributor to this year-on-year decline was the identified level of shares held by investors from the UK and Ireland, at 27.1% (PY: 31.5%).

Continental share data

Type of share	No-par-value share
German stock exchanges (regulated market)	Frankfurt (Prime Standard), Hamburg, Hanover, Stuttgart
German securities code number (WKN)	543900
ISIN	DE0005439004
Reuters ticker symbol	CONG
Bloomberg ticker symbol	CON
Index memberships (selection)	DAX, Prime All Share, Prime Automobile, NISAX
Outstanding shares as at December 31, 2024	200,005,983
Free float as at December 31, 2024	54.0%

Continental's American depositary receipt (ADR) data

Ratio	1 share : 10 ADRs
SEDOL number	2219677
ISIN	US2107712000
Reuters ticker symbol	CTTAY.PK
Bloomberg ticker symbol	CTTAY
ADR level	Level 1
Trading	OTC
Sponsor	Deutsche Bank Trust Company Americas
ADRs issued as at December 31, 2024	26,091,400 (with 2,609,140 Continental shares deposited)

The identified free-float holdings of German investors decreased to 5.6% in the year under review (PY: 6.9%).

The free-float holdings of Scandinavian investors rose to 3.7% in 2024 (PY: 3.3%).

French investors held 4.3% of Continental free-float shares at the end of 2024 (PY: 3.1%).

Investors in other European countries increased their share of free float slightly to 6.9% in 2024 (PY: 6.3%).

Shareholdings of investors in North America increased year-on-year in 2024. In total, they held 46.8% (PY: 44.9%) of the free float in the form of shares or ADRs.

The identified shareholdings of investors in Asia, Australia and Africa were at 3.3% at the end of 2024 (PY: 2.4%).

Continental share listings
Continental's shares continue to be officially listed on the German stock exchanges in Frankfurt, Hamburg, Hanover and Stuttgart on the regulated market. They are also traded on other unofficial stock exchanges in Germany and in other countries around the world.

Continental ADR listings
In addition to being listed on European stock exchanges, Continental shares are traded in the USA as part of a sponsored ADR program on the over-the-counter (OTC) market. They are not admitted to the US stock market.

Continental Investor Relations online
For more information about Continental shares, bonds and credit ratings, please visit www.continental-ir.com.

Key figures of the Continental share

€ (unless otherwise specified)	2024	2023
Basic earnings per share	5.84	5.78
Diluted earnings per share	5.84	5.78
Dividend per share	2.50[1]	2.20
Dividend payout ratio (%)	42.8[1]	38.1
Dividend yield[2] (%)	4.0[1]	3.2
Share price at year end	64.82	76.92
Annual average share price	63.01	67.70
Share price at year high	77.50	78.26
Share price at year low	51.90	59.20
Number of outstanding shares, average (in millions)	200.0	200.0
Number of outstanding shares as at December 31 (in millions)	200.0	200.0

All market prices are quotations of the Continental share in the Xetra system of Deutsche Börse AG. Data source: Bloomberg.
1 Subject to the approval of the Annual Shareholders' Meeting on April 25, 2025.
2 Dividend per share at the annual average share price.

Corporate Governance
Report of the Supervisory Board

Dear shareholders,

The Supervisory Board comprehensively fulfilled all tasks incumbent upon it under applicable law, the Articles of Incorporation and By-Laws in fiscal 2024. In addition, the Supervisory Board closely supervised, carefully monitored and advised the Executive Board in the management of the company. It was also directly involved in a timely manner in all decisions of fundamental importance to the company.

The Executive Board provided the Supervisory Board with regular, timely and comprehensive updates at its meetings as well as verbally and in writing on all issues of relevance to the company. In particular, these include the business performance, business strategy, planning, significant business transactions in the company and the Continental Group, and the related risks and opportunities, as well as compliance issues. The members of the Supervisory Board were also available to the Executive Board for consultation outside the meetings. As chairman of the Supervisory Board, I had regular contact with the members of the Executive Board, in particular with its chairman, and discussed current company issues and developments with them. Pursuant to a suggestion of the German Corporate Governance Code, I also held discussions with investors in fiscal 2024 on topics specific to the Supervisory Board.

Meetings of the Supervisory Board and the committees

The Supervisory Board convened for five ordinary meetings and one extraordinary meeting in fiscal 2024, as well as for the strategy meeting. The meeting in June and the extraordinary meeting in August took place virtually, while all other meetings were held in person. At its meetings, the Supervisory Board regularly conferred part of the time in the absence of the Executive Board. In addition to these meetings, the Supervisory Board passed one resolution on the profile of skills and expertise and on the qualifications matrix by written procedure.

The Chairman's Committee held five meetings in the reporting year (four in person and one virtually) and passed two resolutions by written procedure. The Audit Committee met four times in 2024 (all in person). The Mediation Committee in accordance with Section 27 (3) of the German Co-determination Act *(Mitbestimmungsgesetz – MitbestG)* was not required to meet in 2024, and neither was the Committee for Related Party Transactions (RPT Committee) nor the Nomination Committee.

The special committee formed in connection with the Supervisory Board's investigation into the manipulation of emission limits by certain automotive manufacturers (Special Emissions Committee) was no longer required in the year under review and was dissolved following the conclusion of these investigations by resolution of the Supervisory Board at its meeting on April 26, 2024.

There are no other committees. All committees report to the plenary session. The corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code *(Handelsgesetzbuch – HGB)* starting on page 16 describes their responsibilities in more detail and names their members.

The following overview provides information on the individual attendance of the Supervisory Board members at meetings of the Supervisory Board and its committees.

Individual attendance of Supervisory Board members at in-person and virtual meetings of the Supervisory Board and its committees in fiscal 2024

	Attendance	
	Number of meetings	Percentage
Supervisory Board plenary session		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	7 / 7	100
Dorothea von Boxberg	7 / 7	100
Stefan E. Buchner	7 / 7	100
Dr. Gunter Dunkel	7 / 7	100
Satish Khatu	7 / 7	100
Isabel Corinna Knauf	7 / 7	100
Sabine Neuß	7 / 7	100
Prof. Dr. Rolf Nonnenmacher	7 / 7	100
Klaus Rosenfeld	7 / 7	100
Georg F. W. Schaeffler	7 / 7	100
Christiane Benner	7 / 7	100
Hasan Allak	7 / 7	100
Dr. Kevin Borck (since September 16, 2024)	3 / 3	100
Dr. Matthias Ebenau (since April 26, 2024)	4 / 5	80
Francesco Grioli	7 / 7	100
Michael Iglhaut	7 / 7	100
Carmen Löffler	7 / 7	100
Dirk Nordmann (until April 26, 2024)	2 / 2	100
Anne Nothing (since April 26, 2024)	5 / 5	100
Lorenz Pfau (until April 26, 2024)	2 / 2	100
Jörg Schönfelder	7 / 7	100
Stefan Scholz (until September 1, 2024)	4 / 4	100
Matthias Tote (since April 26, 2024)	5 / 5	100
Elke Volkmann (until April 26, 2024)	2 / 2	100
Chairman's Committee		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	5 / 5	100
Hasan Allak (since April 26, 2024)	3 / 3	100
Christiane Benner	5 / 5	100
Georg F. W. Schaeffler	5 / 5	100
Jörg Schönfelder (until April 26, 2024)	2 / 2	100
Audit Committee		
Prof. Dr. Rolf Nonnenmacher (chairman)	4 / 4	100
Francesco Grioli	4 / 4	100
Michael Iglhaut	4 / 4	100
Dirk Nordmann (until April 26, 2024)	1 / 1	100
Klaus Rosenfeld	4 / 4	100
Georg F. W. Schaeffler	4 / 4	100
Matthias Tote (since April 26, 2024)	3 / 3	100

Key topics dealt with by the Supervisory Board and the Chairman's Committee
At each ordinary meeting of the plenary session, the Executive Board informed the Supervisory Board in detail of the sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. Where the actual course of business deviated from the defined plans and targets, the Executive Board provided detailed explanations. It discussed the reasons for these deviations and the measures introduced in depth with the Supervisory Board. In addition, the Executive Board regularly informed the Supervisory Board about the Continental Group's main procurement and sales markets and about Continental AG's share price performance.

In addition, the work of the Supervisory Board and its collaboration with the Executive Board in the year under review continued to be shaped by the transformation process in the automotive industry, the weak macroeconomic environment and the resulting consequences for the company. Another focus area for the Supervisory Board was monitoring preparations for the reorganization of the Continental Group, with largely independent group sectors and the planned spin-off of the Automotive and Contract Manufacturing group sectors. At the start of the year, the Supervisory Board concluded its investigation into the manipulation of emission limits in vehicles of specific automotive manufacturers. The Supervisory Board will continue to pursue possible claims against former Executive Board members and managers. The Supervisory Board also regularly addressed the measures being taken to strengthen the risk management and internal control system as well as the compliance management system.

At the meeting on **March 12, 2024**, the company's annual financial statements and the consolidated financial statements for 2023 were discussed and subsequently approved in the presence of the auditor. As part of reporting for the current fiscal year, the Supervisory Board closely examined the business development and market situation, particularly for the Automotive group sector.
The decision by the Executive Board to hold the Annual Shareholders' Meeting in person in 2024, for the first time since the coronavirus pandemic ended, was also approved, as was the draft agenda for the Annual Shareholders' Meeting. In addition, the Supervisory Board also adopted its proposed resolutions for the Annual Shareholders' Meeting. These included proposals for the new election of shareholder representatives by implementation of the staggered board concept (see the section on personnel changes on the Supervisory Board and Executive Board), and the adjusted remuneration system for the Executive Board as part of the regular submission for approval. The Supervisory Board also addressed the status of the measures being taken to strengthen governance and compliance. Furthermore, the Supervisory Board received reports from internal and external experts on the key findings of the internal investigation into the supply of engine control units and engine control software by Continental in connection with the manipulation of emission limits by certain automotive manufacturers.

At the Supervisory Board meeting on **April 26, 2024**, in view of the fall in Continental AG's share price, the Supervisory Board discussed the reasons behind the weak business performance in the first quarter. Furthermore, the agreement reached with the public prosecutor's office in Hanover on the fine proceedings in connection with the supply of engine control units and engine control software was discussed, and the Special Emissions Committee was dissolved upon completion of the internal investigation. The Supervisory Board also acknowledged the work carried out by the employee representatives leaving the committee at the end of the Annual Shareholders' Meeting on the same day and bade them farewell.

At the meeting on **June 27, 2024**, the Supervisory Board passed a resolution on the succession plan for the position of chief financial officer and the associated establishment of a newly configured Executive Board function for Group Finance, Integrity and Law, to be headed by Olaf Schick. Business development was also discussed in detail, paying particular attention to the macroeconomic situation, including the threat of tariffs on automobiles from China. A particular focus was placed on the situation in the Automotive group sector and the measures taken there to cut costs and improve earnings. The projects and measures planned for the rest of the year and beyond to strengthen the risk and compliance management system were also presented.

At the extraordinary meeting on **August 5, 2024**, the Executive Board presented to the Supervisory Board the results of an analysis it had carried out regarding a possible spin-off of the Automotive and Contract Manufacturing group sectors with subsequent listing. In addition to the benefits of an independent, agile Automotive organization, the financial feasibility was also explained. Following this, the Supervisory Board discussed in detail the impact of such a transaction, both on the group sectors and on employees, and gave the Executive Board suggestions for the further detailed evaluation of the possible spin-off.

The Supervisory Board took the opportunity provided by the full-day strategy meeting on **September 18, 2024**, to visit the Continental Automotive Romania location in Timisoara, Romania. There, the Executive Board and Supervisory Board discussed the strategic goals and strategic planning for the Continental Group and the individual group sectors in detail. These discussions also addressed the future setup of an independent Automotive organization and the requirements necessary for a successful stock market listing. The Executive Board additionally presented the plans to the Supervisory Board for the remaining group sectors, according to which Tires and ContiTech would also become largely independent under a lean holding structure. As part of the ContiTech strategy, topics discussed included the status of the realignment resulting from the planned sale of the Original Equipment Solutions (OESL) business area. Discussions also covered experiences with personnel programs aimed at dealing with the effects of the transformation of the automotive industry, possible growth areas for individual group sectors and their sustainability strategy.

At the meeting on **September 19, 2024**, the Supervisory Board addressed the assertion of possible claims for damages against former Executive Board members in connection with Continental's role in the manipulation of emission limits in vehicles produced by specific automotive manufacturers, based on the presentation of findings of an external analysis. In addition, the Supervisory Board's Sustainability Working Group reported on its activities to support the group sectors' sustainability targets. The Executive Board also presented the status of measures to bolster IT security. In the course of the presentation on ongoing business development, the

Executive Board reported in detail on the reasons behind the quality situation for the MK C2 integrated brake system, as well as the current status in this regard and the measures introduced.

At the meeting on **December 18, 2024**, Olaf Schick's resignation effective September 30, 2025, was approved without the Executive Board present. Olaf Schick had made this request to the Supervisory Board due to his appointment to the Board of Management of Mercedes-Benz Group AG. In addition, the Supervisory Board determined the targets for the short-term incentive (STI) and the long-term incentive (LTI). The Supervisory Board also discussed the status of deliberations on the future composition of the Executive Board of Continental AG. In the presence of the Executive Board, the Supervisory Board extensively addressed the annual planning for 2025 and the long-term planning. It also approved the planning and investment plans for fiscal 2025. This gave the Supervisory Board the opportunity to discuss possible growth areas that had been included in planning for the individual group sectors with the Executive Board. Additionally, the Executive Board reported in detail on the status of preparations for the planned spin-off of the Automotive and Contract Manufacturing group sectors and Continental's organizational realignment. In particular, the Executive Board presented the process for allocating the group functions' approximately 2,600 employees to the group sectors. The Supervisory Board also approved several internal capital increases in preparation for the organizational changes.

The **Chairman's Committee** held five meetings in the year under review, in which it primarily prepared the personnel-related decisions of the plenary session and made recommendations for resolutions. At its first meeting on **March 12, 2024**, proposals to the plenary session relating to the setting of targets to be achieved within the scope of the short-term incentive (STI) for fiscal 2023 and the 2020–2023 long-term incentive (LTI) tranche were resolved. At the meeting on **April 26, 2024**, the Chairman's Committee discussed matters such as possible organizational changes to the work of the Supervisory Board, such as through the introduction of further committees, which was ultimately decided against. At its meeting on **June 27, 2024**, it decided to recommend to the plenary session that an Executive Board function for Group Finance, Integrity and Law be established, combining the responsibilities of the former Group Finance and Controlling function and Integrity and Law function. This recommendation also included transferring responsibility for Group Information Technology (IT), which was previously part of the Finance function, to the chief executive officer. It also decided to recommend to the plenary session that Olaf Schick, as the new chief financial officer, should take over the newly created function effective July 1, 2024. At the meeting on **September 19, 2024**, the Executive Board informed the Chairman's Committee about the planned sale of Zonar Systems, Inc., Seattle, Washington, USA, and explained the reasons for initiating this sales process. The Chairman's Committee also discussed the possible impact of the planned spin-off of Automotive and Contract Manufacturing on the composition of the Executive Board. In **November 2024**, the Chairman's Committee approved the sale of Zonar Systems to GPS Trackit by means of two written resolutions adopted by circular resolution. At its meeting on **December 18, 2024**, recommendations to the plenary session relating to the targets for the variable remuneration of the Executive Board were resolved. It was also decided to recommend to the plenary session that it formally approve Olaf Schick's resignation effective September 30, 2025.

Key topics dealt with by the Audit Committee

The Audit Committee was also informed by the Executive Board in detail and on an ongoing basis about sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. The Executive Board is assisted by the head of Accounting and the head of Group Controlling, who attend the meetings of the Audit Committee and can thereby provide information directly. In addition, the chairman of the Audit Committee is in regular contact with the Executive Board member for Group Finance, Integrity and Law and with the auditor outside of meetings and has access to senior employees entrusted with tasks relating to accounting, the internal control system, the risk management system, internal auditing and compliance. The chairman of the Audit Committee shares key information with the Audit Committee.

As a focus of each of its quarterly meetings, the Audit Committee talked with the Executive Board about the accounting as at the end of the previous quarter and the outlook for the year as a whole as well as the quarterly statements and the half-year financial report prior to their publication. Another focus of the Audit Committee's work in the past fiscal year was again on dealing with the risk management and internal control system as well as the compliance management system. The work of the Group Compliance and Group Internal Audit functions and reporting on significant risks and incidents were also regular topics at each meeting. This included in particular the matters described in more detail in the report on risks and opportunities and in the notes to the consolidated financial statements.

At its meeting on **March 4, 2024**, the Audit Committee discussed the company's annual financial statements and the consolidated financial statements as well as the combined non-financial statement for 2023 with the Executive Board and the auditor, and recommended their approval to the plenary session of the Supervisory Board. The committee also received a report on the status of an external analysis of Continental's internal audit system. Another topic of discussion was special effects, which are adjusted for the calculation of earnings for the purposes of determining the variable remuneration of the Executive Board.

At the meeting on **May 2, 2024**, alongside its regular recurring topics, the Audit Committee also addressed in detail the progress made in strengthening the technical compliance management system. The committee also received reports on the plans to change the structure of internal auditing activities and on the progress made in strengthening IT governance.

At the meeting on **August 1, 2024**, in addition to the half-year financial statements, one of the main topics on the Audit Committee's agenda were the ongoing preparations for future sustainability reporting in accordance with Directive (EU) 2022/2464 on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD). In addition, the status of several ongoing internal investigations was presented to the committee.

At the meeting on **November 6, 2024**, the Audit Committee issued the mandate for the audit of the 2024 annual and consolidated financial statements, as well as the report on relations with affiliated companies and the remuneration report, and for the audit of sustainability reporting, to the auditor appointed by the Annual Shareholders' Meeting, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover branch (PwC). In addition, the Audit Committee defined an approval framework for commissioning the auditor with permissible non-audit services in accordance with the EU Audit Regulation. The Executive Board regularly informs the Audit Committee about the use of this authorization. The committee also once again discussed sustainability reporting for fiscal 2024 and dealt in depth with ongoing preparations for the planned spin-off of the Automotive and Contract Manufacturing group sectors. The focus here was on special financial reporting requirements resulting from the spin-off.

Corporate governance

At its meeting on December 18, 2024, the Supervisory Board adopted its declaration in accordance with Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)* on the recommendations of the German Corporate Governance Code. In February 2024, the Supervisory Board resolved, by written procedure, an extensive revision of the qualifications matrix to be prepared in accordance with the German Corporate Governance Code. The new matrix contains a more detailed description of the expertise that the Supervisory Board should possess through its members. The information provided by the individual members is based on a self-assessment, which is to be updated regularly. Alongside this new qualifications matrix, the Supervisory Board also resolved to update its profile of skills and expertise and the targets for its composition.

The chairman of the Supervisory Board was not notified of any potential conflicts of interest in 2024. Conflicts of interest notified by three Supervisory Board members in fiscal 2022 were resolved in the year under review. Up until said resolution, it continued to be ensured that the Supervisory Board members in question did not participate in discussions of the Supervisory Board and its committees on topics that could constitute a conflict of interest, and also did not receive any information in this regard. These still did not constitute such significant and long-term conflicts of interest that would have required the members to step down. In its opinion, the Supervisory Board also had an appropriate number of independent members, in particular on the shareholder side, as defined in the code at all times in the period under review. Further information on this topic and on corporate governance in general is included in the corporate governance statement pursuant to Sections 289f and 315d *HGB* (starting on page 16).

Annual and consolidated financial statements and sustainability reporting for 2024

PwC audited the annual financial statements as at December 31, 2024, prepared by the Executive Board in accordance with the provisions of the *HGB*, the 2024 consolidated financial statements and the combined management report for the company and the Continental Group, including the accounts and the system for early risk recognition. The 2024 consolidated financial statements of Continental AG were prepared in accordance with the International Financial Reporting Standards (IFRS). The auditor issued unqualified opinions. In addition, PwC audited the Executive Board's report on relations with affiliated companies pursuant to Section 312 *AktG* (dependent company report). PwC issued the following unqualified opinion on this report in accordance with Section 313 (3) *AktG*:

"Based on the results of our statutory audit and evaluation we confirm that:

- the actual information included in the report is correct,
- with respect to the transactions listed in the report, payments by the company were not unduly high, and
- there are no circumstances in favor of a significantly different assessment than that made by the Executive Board in regard to the measures listed in the report."

The Audit Committee discussed the documents relating to the annual financial statements, including the dependent company report, as well as the auditor's reports and the remuneration report with the Executive Board and the auditor on March 3, 2025. Furthermore, the plenary session of the Supervisory Board discussed these at length at its meeting to approve the annual financial statements on March 12, 2025. The discussions also covered the combined non-financial statement (in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e *HGB*) and the sustainability report (in accordance with the European Sustainability Reporting Standards, ESRS) for the Continental Group and Continental AG (jointly referred to as "sustainability reporting"). The required documents were distributed to all members of the Audit Committee and the Supervisory Board in good time before these meetings so that the members had sufficient opportunity to review them. The auditor was present at these discussions. The auditor reported on the main results of the audits of financial and sustainability reporting (the latter with limited audit assurance) and was available to provide additional information to the Audit Committee and the Supervisory Board. Based on its own review of the annual financial statements, the consolidated financial statements, the combined management report of Continental AG and of the Continental Group, as well as the dependent company report including the final declaration of the Executive Board, and based on the report and the recommendation of the Audit Committee, the Supervisory Board concurred with the results of the auditor's audit. There were no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted.

PwC issued an unqualified opinion for the sustainability reporting. Based on the Supervisory Board's own review, the Audit Committee's report on its preliminary examination and its recommendation, and PwC's audit and unqualified opinion on the sustainability reporting, the Supervisory Board finds that the sustainability reporting was prepared in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e *HGB*, as well as the provisions of the ESRS. The auditor reviewed the remuneration report prepared by the Executive Board and the Supervisory Board and issued a report that is attached to the remuneration report.

The Supervisory Board together with the Executive Board will propose to the Annual Shareholders' Meeting on April 25, 2025, that a dividend of €2.50 per share entitled to dividends be paid out for the past fiscal year and that the retained earnings be carried forward to new account.

Personnel changes on the Supervisory Board and Executive Board

As reported, the term of office for the previous Supervisory Board ended with the close of the Annual Shareholders' Meeting on April 26, 2024. The previous shareholder representatives were all, without exception, re-elected by the Annual Shareholders' Meeting. At the same time, the staggered board concept for shareholder representatives was introduced with these elections. Under this concept, the terms of office of the shareholder representatives do not run in parallel; instead, groups of five representatives are elected in staggered cycles for a term of office of four years. To establish this rhythm of staggered election cycles, five shareholder representatives were elected for a one-time term of office of two years. These were:

- Dr. Gunter Dunkel
- Satish Khatu
- Sabine Neuß
- Prof. Dr.-Ing. Wolfgang Reitzle
- Georg F. W. Schaeffler

The following five shareholder representatives were elected for a term of office of four years:

- Dorothea von Boxberg
- Stefan E. Buchner
- Isabel Corinna Knauf
- Prof. Dr. Rolf Nonnenmacher
- Klaus Rosenfeld

The following personnel changes took place among the employee representatives: Dirk Nordmann, Lorenz Pfau and Elke Volkmann did not stand for re-election. Stefan Scholz also stepped down from the board on September 1, 2024. The Supervisory Board would like to thank the departing employee representatives for their valuable contribution to the work of the Supervisory Board over their many years of service. The new members of the Supervisory Board on the employee side are:

- Dr. Kevin Borck, head of Marketing & Strategy for the Industrial Solutions EMEA business area in ContiTech, as the representative for senior executives
- Dr. Matthias Ebenau, trade union secretary and president of IG Metall Hanau-Fulda
- Anne Nothing, chairwoman of the Works Council for the Babenhausen location
- Matthias Tote, chairman of the Works Council of Benecke-Kaliko AG, Hanover-Vinnhorst plant, and chairman of the Central Works Council, Rubber Group

Further information on the members of the Supervisory Board and its committees who were in office in the year under review can be found on pages 10 and 11 and on pages 333 and 334.

As described above, the Supervisory Board resolved at its meeting on June 27, 2024, to consolidate the Finance and Controlling function and the Integrity and Law function into a single Executive Board function, and appointed Olaf Schick to head this new function effective July 1, 2024. Katja Garcia Vila stepped down from her position as CFO effective June 30, 2024. The Supervisory Board would like to thank Katja Garcia Vila for her many years of successful work for the company.

As reported, Olaf Schick will step down from the Executive Board with effect from September 30, 2025. A decision on his successor will be made in due course. There were no other personnel changes on the Executive Board.

The Supervisory Board would like to thank the Executive Board, all the employees and the employee representatives for their considerable dedication over the past year.

Hanover, March 18, 2025

Prof. Dr.-Ing. Wolfgang Reitzle
Chairman

Corporate Governance Statement Pursuant to Sections 289f and 315d of the German Commercial Code *(HGB)*

Responsible corporate governance sets the standard for the Executive Board and the Supervisory Board.

Good, responsible corporate governance geared toward sustainable, long-term value creation serves as the standard for the Executive Board and Supervisory Board of Continental AG to ensure they act in the interests of all stakeholder groups. The following corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code *(Handelsgesetzbuch – HGB)*, to which reference is made in the management report, outlines corporate governance at Continental. The remuneration report for fiscal 2024 on the remuneration of the Executive Board and the Supervisory Board together with the auditor's report and the valid remuneration system for the remuneration of the Executive Board are available on our website under Company/Corporate Governance/Executive Board. The valid remuneration system for remuneration of the Supervisory Board is described in the remuneration report for fiscal 2024 and is available on our website under Company/Corporate Governance/Supervisory Board.

Declaration pursuant to Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)* and deviations from the German Corporate Governance Code *(Deutscher Corporate Governance Kodex – DCGK)*
In December 2024, the Executive Board and the Supervisory Board issued the following annual declaration pursuant to Section 161 *AktG*:

"The Executive Board and the Supervisory Board of Continental AG declare in accordance with Section 161 German Stock Corporations Act *(AktG)* that the recommendations of the 'Government Commission on the German Corporate Governance Code' in the version dated April 28, 2022 (published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette *(Bundesanzeiger)* on June 27, 2022) have been complied with in the reporting year and will continue to be complied with, with the exception set out below.

Reference is made to the declaration of the Executive Board and the Supervisory Board of December 2023 as well as to previous declarations in accordance with Section 161 *AktG* and the deviations from the recommendations of the German Corporate Governance Code explained therein.

According to recommendation C.2 of the German Corporate Governance Code, the Supervisory Board shall set an age limit for members of the Supervisory Board. The Supervisory Board does not set an age limit because it does not consider such a general criterion to be appropriate for evaluating the qualifications of a Supervisory Board member.

Hanover, December 2024

Prof. Dr.-Ing. Wolfgang Reitzle
Chairman of the Supervisory Board

Nikolai Setzer
Chairman of the Executive Board"

The declaration of compliance is published on Continental's website under Company/Corporate Governance. Earlier declarations pursuant to Section 161 *AktG* can also be found there. Out-of-date corporate governance statements can also be found there for a period of at least five years from the date they were issued.

Key corporate governance practices
The following documents are key foundations of our sustainable and responsible corporate governance:

- Continental AG's corporate guidelines. The vision, mission and values, desired behavior and self-image of the Continental Group; available on our website under Company/Corporate Governance/Vision & Mission.
- Sustainability ambition; available on our website under Sustainability/Framework/Sustainability Ambition.
- Compliance with the binding Code of Conduct for all Continental employees. For more information, see our website under Sustainability/Strategy and Sustainable Corporate Governance/Organization and Management.

Corporate bodies
In line with the law and the Articles of Incorporation, the company's corporate bodies are the Executive Board, the Supervisory Board and the Shareholders' Meeting. As a German stock corporation, Continental AG has a dual management system characterized by a strict personnel division between the Executive Board as the management body and the Supervisory Board as the monitoring body. The cooperation between the Executive Board, Supervisory Board and Shareholders' Meeting is depicted on the next page.

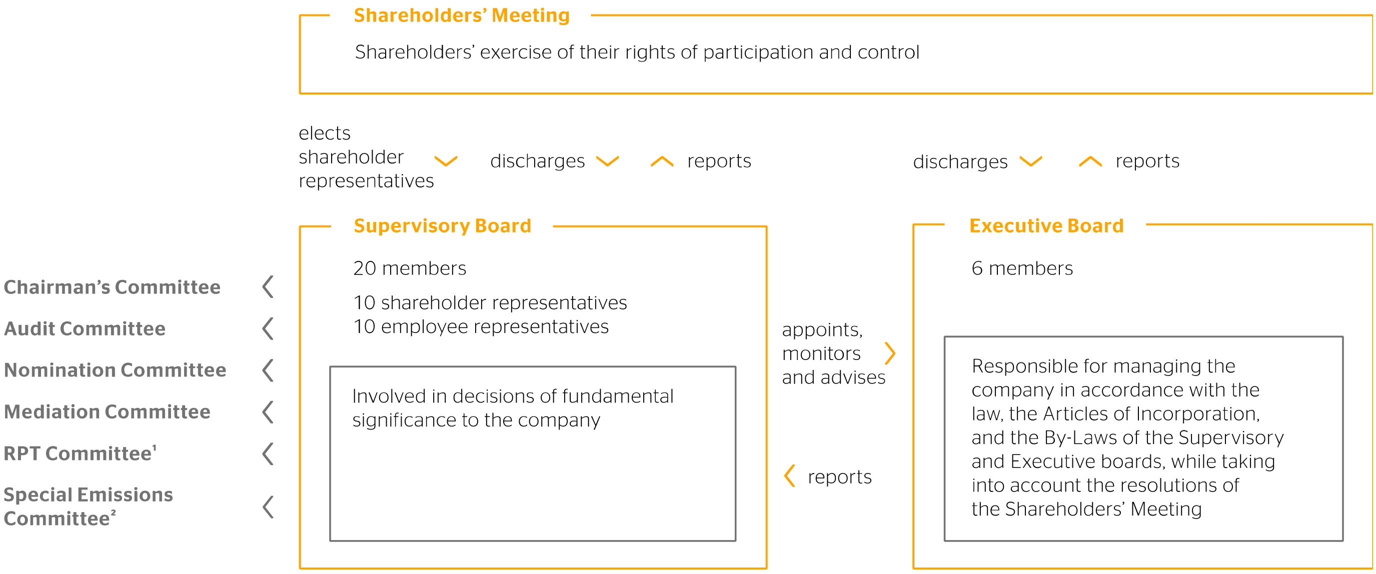
The Executive Board and its practices
The Executive Board has sole responsibility for managing the company in the interests of the company, free from instructions from third parties in accordance with the law, the Articles of Incorporation and the Executive Board's By-Laws, while taking into account the resolutions of the Shareholders' Meeting. All members of the Executive Board share responsibility for the management of the company jointly. Regardless of this principle of joint responsibility, each Executive Board member is individually responsible for the areas entrusted to them. The chairman of the Executive Board is responsible for the company's overall management and business policy. He ensures management coordination and uniformity on the Executive Board and represents the company to the public. The Executive Board jointly develops the company's strategy, agrees it with the Supervisory Board and ensures its implementation.

The Executive Board had six members as at December 31, 2024, and as at the date of this statement. Information on areas of responsibility and resumes of the Executive Board members are available on our website under Company/Corporate Governance/Executive Board. The Executive Board was reduced from seven to six members effective July 1, 2024, as the Executive Board function for Finance and Controlling was combined with that for Integrity and Law. The first time a person is appointed to the Executive Board, his or her term as a rule is three years only. As a rule, a member of the Executive Board is not appointed beyond the statutory retirement age.

Only under exceptional circumstances will a member of the Executive Board be reappointed earlier than one year prior to the end of their term of appointment with simultaneous annulment of their current appointment. More information on the members of the Executive Board can be found on page 332 and on our website under Company/Corporate Governance/Executive Board.

The Executive Board has By-Laws that regulate in particular the allocation of duties among the Executive Board members, key matters pertaining to the company and its subsidiaries that require a decision to be made by the Executive Board, the duties of the Executive Board chairman, and the process in which the Executive Board passes resolutions. The Executive Board By-Laws are available on our website under Company/Corporate Governance/Executive Board. The Supervisory Board By-Laws on the basis of the Articles of Incorporation require the consent of the Supervisory Board for significant actions taken by management.

Corporate bodies of the company



[1] Committee for Related Party Transactions. [2] The committee was dissolved by resolution of the Supervisory Board at its meeting on April 26, 2024.

The Executive Board has established separate boards for the Automotive, Tires and ContiTech group sectors. This supports the decentralization of responsibility that the global organization of the company seeks to achieve, and relieves the burden on the Executive Board. In addition to establishing these boards, the Executive Board has delegated to them decision-making powers for certain matters that affect only the relevant group sectors.

The boards for the three group sectors each comprise the Executive Board member responsible for the group sector in question as their chairman, the heads of the relevant business areas within the group sector, as well as further members from among the central functions of the relevant group sectors.

The Supervisory Board and its practices

The Supervisory Board appoints the members of the Executive Board and collaborates with the Executive Board to develop a long-term succession plan. The Supervisory Board discusses this topic on a regular basis without the Executive Board. In order to become acquainted with potential successors, the Supervisory Board, in consultation with the Executive Board, offers them the opportunity to introduce themselves to the Supervisory Board.

The Supervisory Board supervises and advises the Executive Board in managing the company. This includes, in particular, issues relating to the company's strategy, planning, business development, risk situation, risk management, compliance and sustainability. The Supervisory Board is directly involved in decisions of material importance to the company. As specified by law, the Articles of Incorporation or the Supervisory Board By-Laws, certain corporate management matters require the approval of the Supervisory Board. The chairman of the Supervisory Board coordinates its work and represents it vis-à-vis third parties. Within reasonable limits, he is prepared to talk to investors about issues specific to the Supervisory Board. He maintains regular contact between meetings with the Executive Board, and in particular with its chairman, to discuss issues relating in particular to the company's strategy, business development, risk situation, risk management and compliance.

Composition of the Supervisory Board

The Supervisory Board comprises 20 members in accordance with the German Co-determination Act *(Mitbestimmungsgesetz – MitbestG)* and the company's Articles of Incorporation. Half the members of the Supervisory Board are elected individually by the shareholders in the Shareholders' Meeting (shareholder representatives), while the other half are elected by the employees of Continental AG and its German subsidiaries (employee representatives). Both the shareholder representatives and the employee representatives have an equal duty to act in the interests of the company. The Supervisory Board's chairman is a shareholder representative. In accordance with the provisions of the Co-determination Act, he has the casting vote in the event of a tie.

The current Supervisory Board was constituted on April 26, 2024. The term of office of the employee representatives lasts until the end of the 2029 Annual Shareholders' Meeting. The term of office of the shareholder representatives varies in accordance with the staggered board concept introduced in the reporting year. Under this concept, the terms of office of the shareholder representatives do not run in parallel; instead, groups of five shareholder representatives are elected in staggered cycles for a term of office of four years. To establish this rhythm of staggered election cycles, five shareholder representatives were elected at the 2024 Annual Shareholders' Meeting for a one-time term of office of two years, while an additional five shareholder representatives were elected for a term of office of four years. The increased flexibility in the Supervisory Board's composition resulting from this staggered board concept is intended to make it easier for the Supervisory Board to respond to the changing demands on its tasks and areas of expertise. The chairman of the Supervisory Board is Prof. Dr.-Ing. Wolfgang Reitzle, who, in accordance with the German Corporate Governance Code, is independent of the company and its Executive Board. The Supervisory Board does not include any members who previously belonged to the Executive Board of Continental AG, who exercise an executive function or advisory role at a major competitor of Continental, or who have a personal relationship with such a competitor.

The company has set up an informational program that provides newly elected members of the Supervisory Board with a comprehensive overview of the company's products and technologies as well as finances, controlling and corporate governance at Continental.

The Supervisory Board has drawn up its own By-Laws that supplement the law and the Articles of Incorporation with more detailed provisions, including provisions on Supervisory Board meetings, the duty of confidentiality, the handling of conflicts of interest and the Executive Board's reporting obligations, and a list of transactions and measures that require the approval of the Supervisory Board. The Supervisory Board By-Laws are available on our website under Company/Corporate Governance/Supervisory Board. The Supervisory Board also consults on a regular basis in the absence of the Executive Board. Before each regular meeting of the Supervisory Board, the representatives of the shareholders and of the employees each meet separately with members of the Executive Board to discuss the upcoming meeting.

The Supervisory Board regularly reviews how effectively it and its committees have fulfilled their responsibilities. It recently carried out such a review in 2021 with the help of an external consultant. This confirmed the Supervisory Board's efficient and professional approach to its work in the past years. The Supervisory Board has adopted the recommendations from the 2021 self-assessment.

Profile of skills and expertise for the Supervisory Board

In accordance with recommendation C.1 of the German Corporate Governance Code, the Supervisory Board has prepared a profile of skills and expertise and specified targets for its composition. The Supervisory Board adopted the current profile of skills and expertise in February 2024.

The Supervisory Board as a whole should possess the skills and expertise noted below. It is not expected that all Supervisory Board members possess all of the skills and expertise noted below. Instead, each area of expertise must be covered by at least one Supervisory Board member. The profile of skills and expertise assumes that all Supervisory Board members possess the knowledge and skills required for the proper performance of their duties and the characteristics necessary for successful Supervisory Board work in an internationally active, capital market-oriented company. In particular, these include integrity, commitment, capacity for discussion and teamwork, sufficient availability and discretion.

The Supervisory Board members should collectively cover all skills, expertise and experience deemed to be significant in view of Continental's business activities. These include in particular:

- Skills, expertise and experience related to **corporate governance**, particularly in the areas of:
  - Executive board experience
  - Supervisory board experience
  - Strategy and management
  - Mergers and acquisitions (M&A)
  - Organizational development
  - Strategic personnel planning
  - Law and compliance
- **Sector- and company-specific experience**, particularly in the areas of:
  - Industry (i.e. automotive and chemical industries)
  - IT, software and telecommunications
  - Mobility services and digital business models

- **International experience**, particularly in the regions of:
  - Europe
  - North and South America
  - China
  - Asia-Pacific
- Skills, expertise and experience in **sustainability**, particularly in the areas of:
  - Environment
  - Social responsibility
- Skills, expertise and experience in **risk management and reporting**, particularly in the areas of:
  - Financial and sustainability reporting, control systems
  - Auditing of financial statements

The Supervisory Board has also specified the following targets for its composition:

- **Professional skills and expertise:** The personal and professional qualifications defined in the profile of skills and expertise should be covered as broadly as possible by the candidates proposed for election. The progress achieved to date in implementing the profile of skills and expertise can be viewed in the qualifications matrix.
- **Independence:** The Supervisory Board should have an appropriate number of members on the shareholder side whom it deems to be independent in accordance with the German Corporate Governance Code. Taking into account the ownership structure, a Supervisory Board member is therefore considered independent if they are independent of the company and its Executive Board, and also independent of a controlling shareholder. The Supervisory Board has specified the following targets for this purpose:
  - **More than half of the shareholder representatives should be independent of Continental AG and its Executive Board.**

    The independence of shareholder representatives was assessed in accordance with the German Corporate Governance Code by shareholder representatives on the Supervisory Board. As part of the assessment of independence from the Executive Board and the company, it was taken into account that four shareholder representatives will have been members of the Supervisory Board for more than 12 years in 2024. In the assessment of the independence of these four shareholder representatives, given the former and ongoing administration of the members in question, the shareholder representatives overall see no grounds to accept changing the existing assessment of independence. The shareholder representatives currently on the Supervisory Board are therefore all, without exception, independent of Continental AG and its Executive Board.
  - **At least five shareholder representatives should be independent of the controlling shareholder, the IHO Group, headquartered in Herzogenaurach, Germany.**

    It was taken into consideration in the assessment of independence from any controlling shareholder that two Supervisory Board members are linked to the controlling shareholder, the IHO Group, Herzogenaurach, Germany. As determined in the assessment by the shareholder representatives on the Supervisory Board, the Supervisory Board still has an appropriate number of members on the shareholder side who are independent in accordance with the German Corporate Governance Code. These include:

    - Prof. Dr.-Ing. Wolfgang Reitzle
    - Dorothea von Boxberg
    - Stefan E. Buchner
    - Dr. Gunter Dunkel
    - Satish Khatu
    - Isabel Corinna Knauf
    - Sabine Neuß
    - Prof. Dr. Rolf Nonnenmacher
- **Term of office:** In its nominations for election to the Supervisory Board, the Supervisory Board as a rule does not nominate candidates who at the time of election have already been a member of the Supervisory Board for 12 years.

In its nominations of candidates for election to the Supervisory Board, the Supervisory Board takes into account the requirements of the profile of skills and expertise for the board as a whole as well as the aforementioned targets.

Qualifications matrix

		Shareholder representatives									
		Prof. Dr.-Ing. Wolfgang Reitzle	Dorothea von Boxberg	Stefan E. Buchner	Dr. Gunter Dunkel	Satish Khatu	Isabel Knauf	Sabine Neuß	Prof. Dr. Rolf Nonnenmacher	Klaus Rosenfeld	Georg Schaeffler
Corporate governance	Executive board experience	●	●	●	●	●	●	●	◕	●	◔
	Supervisory board experience	●	◔	●	●	●	●	●	●	●	●
	Strategy and management	●	●	●	●	●	●	●	◕	●	◕
	Mergers and acquisitions (M&A)	●	◔	◕	●	◕	●	◕	◔	●	◕
	Organizational development	●	◕	●	◕	●	◕	●	◔	●	◔
	Strategic personnel planning	◕	◔	◕	◕	◕	◔	◕	◔	◕	◔
	Law and compliance	◕	◔	◔	◕	◔	◕	◔	●	◕	●
Sector- and company-specific experience	Industry (i.e. automotive and chemical industries)	●	◔	●	◕	◕	◔	◕	◕	◕	◕
	IT, software and telecommunications	◔	◕	◕	◕	●	◔	◕	○	○	◔
	Mobility services and digital business models	◕	●	◔	◔	●	◔	◔	○	◔	◔
International experience	Europe	●	●	●	●	◕	●	●	◕	◕	◕
	North and South America	◕	◕	◕	●	●	●	●	○	◕	◕
	China	◕	◔	◔	◔	◕	◕	◕	○	◔	◔
	Asia-Pacific	◕	◔	◕	◔	●	◕	◔	○	◔	◔
Sustainability	Environment	◔	◕	◕	○	◔	◕	◕	◔	◕	◔
	Social responsibility	◔	◔	◔	○	◔	◕	◔	◔	◔	◔
Risk management and reporting	Financial and sustainability reporting, control systems	◔	◕	◔	◔	◔	◔	◔	●	●	◕
	Auditing of financial statements	◔	◔	◔	◕	◔	◔	○	●	◕	◔

○ = No specific knowledge ◔ = Basic knowledge ◕ = Good knowledge ● = Expert knowledge

Qualifications matrix

		Employee representatives									
		Christiane Benner	Hasan Allak	Dr. Kevin Borck	Dr. Matthias Ebenau	Francesco Grioli	Michael Iglhaut	Carmen Löffler	Anne Nothing	Jörg Schönfelder	Matthias Tote
Corporate governance	Executive board experience	◕	○	◔	◔	◔	○	○	○	○	◔
	Supervisory board experience	◕	◕	○	◕	●	◔	◔	○	◕	◔
	Strategy and management	◕	◕	◕	◔	◔	◔	◔	◔	◔	◕
	Mergers and acquisitions (M&A)	◔	◔	◕	◔	◔	○	○	○	◔	◔
	Organizational development	●	◕	◕	◕	◕	◔	◔	◔	◕	◕
	Strategic personnel planning	◕	◕	◔	◕	◕	◕	◔	◔	◕	◕
	Law and compliance	◔	◕	◔	◔	◔	◔	◔	◔	◔	◕
Sector- and company-specific experience	Industry (i.e. automotive and chemical industries)	◕	◕	◕	◕	◕	◔	◔	◔	◕	◕
	IT, software and telecommunications	◔	◔	◔	◔	○	○	◔	○	◔	◔
	Mobility services and digital business models	◕	◔	◔	◔	○	○	○	○	◔	◔
International experience	Europe	◔	◔	◕	◕	◔	◔	◔	◔	◕	◕
	North and South America	◕	○	◕	◕	○	○	○	○	◔	◔
	China	◔	○	◔	○	○	○	○	○	◔	○
	Asia-Pacific	◔	○	◔	○	○	○	○	○	◔	○
Sustainability	Environment	◔	◔	◔	◔	◔	○	◔	○	◔	◕
	Social responsibility	●	●	◔	◕	●	◕	◕	◔	◕	●
Risk management and reporting	Financial and sustainability reporting, control systems	◔	◕	◔	◔	◕	◔	◔	○	◔	◕
	Auditing of financial statements	◔	◔	○	◕	◔	◔	○	○	◔	◔

○ = No specific knowledge ◔ = Basic knowledge ◕ = Good knowledge ● = Expert knowledge

Targets for composition | Independence from the company and Executive Board in accordance with the *DCGK*

	Independence from company and Executive Board pursuant to recommendation C.7 *DCGK*	Independence from controlling shareholder pursuant to recommendation C.7 *DCGK*	Term of office	
Targets	More than 50% of shareholder representatives	At least five shareholder representatives	As a rule, no election proposal after 12 years in office	Year of appointment
Prof. Dr.-Ing. Wolfgang Reitzle	●	●	○	2009
Dorothea von Boxberg	●	●	●	2022
Stefan E. Buchner	●	●	●	2022
Dr. Gunter Dunkel	●	●	○	2009
Satish Khatu	●	●	●	2019
Isabel Corinna Knauf	●	●	●	2019
Sabine Neuß	●	●	●	2014
Prof. Dr. Rolf Nonnenmacher	●	●	●	2014
Klaus Rosenfeld	●	○	○	2009
Georg F. W. Schaeffler	●	○	○	2009

● = Yes *○ = No*

Committees of the Supervisory Board

The Supervisory Board currently has five committees with decision-making powers: the Chairman's Committee, the Audit Committee, the Nomination Committee, the committee formed in accordance with Section 27 (3) *MitbestG* (the Mediation Committee) and the committee for the approval of company transactions with related persons (Committee for Related Party Transactions, RPT Committee) (Section 107 (3) Sentence 4; Section 111b (1) *AktG*).

Key responsibilities of the **Chairman's Committee** are preparing the appointment of Executive Board members and concluding, terminating and amending their employment contracts and other agreements with them. However, the plenum of the Supervisory Board alone is responsible for stipulating the total remuneration of the Executive Board members. Another key responsibility of the Chairman's Committee is deciding on the approval of certain transactions and measures by the company as specified in the Supervisory Board By-Laws. The Supervisory Board has conferred some of these participation rights on the Chairman's Committee, each member of which may however, in individual cases, demand that a matter again be submitted to the plenary session for decision. The members of the Chairman's Committee are Prof. Dr.-Ing. Wolfgang Reitzle (chairman); his vice chairwoman, Christiane Benner; Hasan Allak; and Georg F. W. Schaeffler.

The **Audit Committee** primarily deals with the audit of the accounts, the monitoring of the accounting process and the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements (including sustainability reporting and examination thereof) and compliance. In particular, the committee deals with the preliminary examination of Continental AG's annual financial statements and the consolidated financial statements, and makes its recommendation to the plenary session of the Supervisory Board, which then passes resolutions pursuant to Section 171 *AktG*. Furthermore, the committee discusses the company's draft interim financial reports. It is also responsible for ensuring the necessary independence of the auditor and deals with additional services performed by the auditor. The committee engages the auditor, determines the focus of the report as necessary, negotiates the fee and regularly reviews the quality of the audit. The chairman of the Audit Committee regularly consults with the auditor on the progress of the audit and reports on this to the committee. The committee also regularly consults with the auditor without the Executive Board. It also gives its recommendation for the Supervisory Board's proposal to the Annual Shareholders' Meeting for the election of the auditor. The Audit Committee is also responsible for the preliminary audit of non-financial reporting and sustainability reporting and for the engagement of an auditor for its review, if any. The chairman of the Audit Committee is Prof. Dr. Rolf Nonnenmacher, who is independent in accordance with the German Corporate Governance Code. As an auditor with many years of professional experience in management positions, he has in-depth knowledge and experience in auditing. Another committee member, Klaus Rosenfeld, is also a financial expert, and as chief financial officer in a number of companies has in-depth knowledge and experience in accounting and internal control and risk management systems. The other members are Francesco Grioli, Michael Iglhaut, Georg F. W. Schaeffler and Matthias Tote. Neither a former Executive Board member nor the chairman of the Supervisory Board may act as chairman of the Audit Committee.

The **Nomination Committee** is responsible for nominating suitable candidates for the Supervisory Board to propose to the Annual Shareholders' Meeting for election. In addition, the committee must propose targets for the Supervisory Board's composition and profile of skills and expertise and review both regularly. The Nomination Committee consists entirely of shareholder representatives, specifically the two members of the Chairman's Committee, Prof. Dr.-Ing. Wolfgang Reitzle (chairman) and Georg F. W. Schaeffler; the chairman of the Audit Committee, Prof. Dr. Rolf Nonnenmacher; and Isabel Corinna Knauf.

In accordance with Section 31 (3) Sentence 1 *MitbestG*, the **Mediation Committee** becomes active only if the first round of voting on a proposal to appoint a member of the Executive Board or to remove a member by consent does not achieve the legally required two-thirds majority. This committee must then attempt mediation before a new vote is taken. The members of the Chairman's Committee are also the members of the Mediation Committee.

The **Committee for Related Party Transactions (RPT Committee)** deals with transactions between Continental AG and a related person, where these transactions require the prior consent of Continental AG's Supervisory Board in accordance with Sections 111a and 111b *AktG*. Transactions in this case require the prior consent of the Supervisory Board. In addition to the chairman of the Supervisory Board, Prof. Dr.-Ing. Wolfgang Reitzle, and the chairman of the Audit Committee, Prof. Dr. Rolf Nonnenmacher, the Committee for Related Party Transactions includes two further members elected by the Supervisory Board from among the employee representatives where necessary.

The **Special Emissions Committee** supported the Supervisory Board's investigations into the manipulation of emission limits by certain automotive manufacturers. This committee was available to external law firms as a point of contact, source of information and recipient of reports, regularly reported to the plenary session on the investigations and prepared resolutions required for the plenary session or committees. This special committee was dissolved following the conclusion of its investigations by resolution of the Supervisory Board at its meeting on April 26, 2024. The members of the Special Emissions Committee up until its dissolution were Prof. Dr.-Ing. Wolfgang Reitzle, Prof. Dr. Rolf Nonnenmacher and Dirk Nordmann.

The Sustainability Working Group established by the Supervisory Board deals with sustainability issues relevant to Continental. The working group includes two shareholder representatives, Dorothea von Boxberg and Stefan E. Buchner, and two employee representatives, Hasan Allak and Jörg Schönfelder.

More information on the members of the Supervisory Board and its committees can be found on pages 333 and 334. Current resumes, which are updated annually, are available on our website under Company/Corporate Governance/Supervisory Board. They also contain information on how long each member has held their position on the Supervisory Board.

Shareholders and the Shareholders' Meeting

The company's shareholders exercise their rights of participation and control at the Annual Shareholders' Meeting. The Annual Shareholders' Meeting, which must be held in the first eight months of every fiscal year, decides on all issues assigned to it by law, such as the appropriation of profits, the election of shareholder representatives to the Supervisory Board, the discharging of Supervisory Board and Executive Board members, the appointment of auditors and the approval of the remuneration system and remuneration report. Each Continental AG share entitles the holder to one vote. There are no shares conferring multiple or preferential voting rights and no limitations on voting rights.

All shareholders who register in a timely manner and prove their entitlement to participate in the Shareholders' Meeting and to exercise their voting rights are entitled to participate in the Shareholders' Meeting. To facilitate the exercise of their rights and to prepare them for the Shareholders' Meeting, the shareholders are fully informed about the past fiscal year and the points on the upcoming agenda before the Shareholders' Meeting by means of the annual report and the invitation to the meeting. All documents and information on the Annual Shareholders' Meeting, including the annual report, are published on Continental's website in German and English. Moreover, the Annual Shareholders' Meeting can also be watched in full in an audio-visual stream on the company's website. When holding the Annual Shareholders' Meeting, the chairperson presiding over the meeting is guided by the fact that an ordinary annual shareholders' meeting should be concluded after four to six hours. To make it easier for shareholders to exercise their rights, the company offers all shareholders who cannot or do not want to exercise their voting rights during the Annual Shareholders' Meeting themselves the opportunity to vote at the Annual Shareholders' Meeting via a proxy who is bound by instructions or through absentee voting. The required voting instructions can also be issued to the proxy via an internet service (InvestorPortal) before the end of the general debate on the day of the Shareholders' Meeting. In addition, the service provider that assists the company with conducting the Shareholders' Meeting is instructed not to forward the individual voting instructions to Continental until the day before the Shareholders' Meeting.

Accounting and auditing of financial statements

The Continental Group's accounting is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The annual financial statements of Continental AG are prepared in accordance with the accounting regulations of the German Commercial Code. The Annual Shareholders' Meeting on April 26, 2024, elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover branch (PwC) to audit the consolidated financial statements for fiscal 2024 as well as the interim financial reports of the company. Dr. Arne Jacobi is the responsible auditor at PwC.

Internal control system and risk management

Diligent corporate management and good corporate governance also require that the company deal with risks responsibly. Continental has a corporate-wide internal control and risk management system that is used to analyze and manage the company's risk situation. We report on this in detail in the report on risks and opportunities starting on page 76, which forms part of the management report for the consolidated financial statements.

Transparent and prompt reporting

As part of our investor relations and corporate communications, we regularly report to shareholders, analysts, shareholders' associations, the media and interested members of the public in equal measure on significant developments in the company and its situation. All shareholders have instant access to all the information that is also available to financial analysts and similar parties. The website of

Continental AG provides the latest information, including the company's financial reports, presentations held at analyst and investor conferences, press releases and ad-hoc disclosures. The dates of key periodic publications (annual report, quarterly statements and half-year report) and events as well as of the Annual Shareholders' Meeting and the annual press conference are announced well in advance in a financial calendar on the website of Continental AG. For the scheduled dates for 2025, see the Investors/Events/ Financial Calendar section.

Reporting pursuant to Section 289f (2) Nos. 4 to 6 *HGB*
Pursuant to Section 96 (2) *AktG*, the Supervisory Board of Continental AG as a listed stock corporation subject to the German Co-determination Act consists of at least 30% women and at least 30% men. This minimum quota must, as a general rule, be fulfilled by the Supervisory Board as a whole. Due to an objection by the employee representatives against the overall fulfillment in accordance with Section 96 (2) Sentence 3 *AktG* before the election of the Supervisory Board in spring 2024, the minimum quota for the Supervisory Board of Continental AG must be fulfilled separately by the shareholder representatives and the employee representatives. Women made up 30% of both the shareholder and employee representatives on the Supervisory Board of Continental AG as at December 31, 2024.

For Continental AG, as a listed stock corporation subject to the German Co-determination Act, the ratio requirement as set out in Section 76 (3a) *AktG* applies, according to which any Executive Board composed of more than three persons should have at least one woman and one man as members of the Executive Board. This requirement was met in the fiscal year under review. The Supervisory Board continues to follow the general debate around the representation of women on executive and supervisory boards and will take any future regulations into account.

In accordance with Section 76 (4) *AktG*, the Executive Board of Continental AG is required to set targets for the ratio of women in the first two management levels below the Executive Board and a deadline for achieving these targets. In December 2021, the Executive Board set new target quotas for women in the first two management levels below the Executive Board at Continental AG for the period up until December 31, 2026: 37% for the first management level and 33% for the second management level. As at December 31, 2024, the ratio of women was 30% in the first management level and 30% in the second management level.

As a global company, Continental continues to attach high priority to the goal of steadily increasing the proportion of women in management positions throughout the Continental Group, above and beyond the legal requirements in Germany.

Diversity concept
Continental counts on the diversity of its employees. The current focus of its commitment to promote diversity is on internationality and a balanced gender ratio.

The Supervisory Board also pays attention to the diversity of the composition of the Executive Board. The Executive Board does the same when appointing people to management positions. As a basic principle, the Executive Board aims to achieve a balanced ratio of domestic to international managers everywhere. The proportion of local and international managers varies according to region. In 2024, a total of 46% of the Continental Group's managers came from countries other than Germany (PY: 49%). Continental is also working on increasing the proportion of women in management positions. In 2024, we were able to increase this number to 21% across the Continental Group (PY: 20%). The proportion is to be increased to 25% by 2025.

In drawing up the Executive Board's succession plan, the Supervisory Board together with the Executive Board makes use of the measures and programs to promote internationality and women in management positions, thus making it possible to identify and develop potential international candidates and female managers for positions on the Executive Board. The aim in the medium term is to use these measures to increase the diversity of the Executive Board even further.

The Supervisory Board also pays attention to the diversity of its own composition. For the Supervisory Board, diversity refers to age, gender, background and professional experience, among other things. The Supervisory Board is convinced that it will achieve diversity in its composition in particular by fulfilling the profile of skills and expertise and meeting the targets for its composition.

Management Report

The following management report is a combined management report as defined in Section 315 (5) of the German Commercial Code *(Handelsgesetzbuch – HGB)*, as the future opportunities and risks of the Continental Group and of the parent company, Continental AG, are inextricably linked.

25

Management Report

Glossary of Financial Terms

The following glossary of financial terms applies to the management report and the consolidated financial statements.

Adjusted EBIT. EBIT before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects. Special effects include:

- Impairment on goodwill, other intangible assets, property, plant and equipment, and investment property
- Income and expenses from restructuring measures
- Restructuring-related expenses
- Severance payments
- Gains and losses from disposals of companies and business operations
- Other significant special effects from extraordinary events. These include one-off effects from acquisitions and disposals of companies and business operations or significant changes to the corporate structure (integration costs, spin-off costs, negative goodwill, purchase price refunds, valuation effects).

Since it eliminates one-off effects, adjusted EBIT can also be used to compare operational profitability between periods.

Adjusted EBIT margin. Adjusted EBIT as a percentage of adjusted sales. Since it eliminates one-off effects, the adjusted EBIT margin can also be used to compare operational profitability between periods and, by using a percentage value, to compare specific units.

Adjusted free cash flow. Free cash flow adjusted for acquisitions and divestments of companies and business operations. Since it eliminates one-off effects, adjusted free cash flow can also be used to compare financial strength between periods.

Adjusted sales. Sales adjusted for changes in the scope of consolidation.

American depositary receipts (ADRs). ADRs securitize the ownership of shares and can refer to one, several or even a portion of a share. ADRs are traded on US stock exchanges in the place of foreign shares or shares that may not be listed on US stock exchanges.

Capital employed. The funds used by the company to generate its sales.

Cash conversion ratio. Ratio of adjusted free cash flow to net income attributable to the shareholders of the parent.

Changes in the scope of consolidation. Changes in the scope of consolidation include additions and disposals as part of share and asset deals as well as other transactions. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.

Continental Value Contribution (CVC). The absolute amount of additional value created. The delta CVC represents the change in absolute value creation compared with the prior year. The delta CVC allows us to monitor the extent to which operating units generate value-creating growth or employ resources more efficiently.

The CVC is measured by subtracting the weighted average cost of capital (WACC) from the return on capital employed (ROCE) and multiplying this by the average operating assets for the fiscal year. The WACC calculated for the Continental Group corresponds to the required minimum return. The cost of capital is calculated as the weighted average ratio of the cost of equity and borrowing costs.

Currency swap. Swap of principal payable or receivable in one currency into similar terms in another currency. Often used when issuing loans denominated in a currency other than the functional currency of the lender.

Derivative instruments. Transactions used to manage interest-rate and/or currency risks.

Dividend payout ratio. The ratio between the dividend for the fiscal year and the earnings per share.

EBIT. Earnings before interest and tax. In Continental's financial reports, this abbreviation is defined as earnings before financial result and tax. It is the result of ordinary business activities and is used to assess operational profitability.

EBITDA. Earnings before interest, tax, depreciation and amortization. In Continental's financial reports, this abbreviation is defined as earnings before financial result, tax, depreciation and amortization. It equals the sum of EBIT; depreciation of property, plant and equipment; amortization of intangible assets; and impairment, excluding impairment on financial investments. This key figure is used to assess operational profitability.

Financial result. The financial result is defined as the sum of interest income, interest expense, the effects from currency translation (resulting from financial transactions), the effects from changes in the fair value of derivative instruments, and other valuation effects. The financial result is the result of financial activities.

Free cash flow. The sum of cash flow arising from operating activities and cash flow arising from investing activities. Also referred to as cash flow before financing activities. Free cash flow is used to assess financial performance.

Gearing ratio. Net indebtedness divided by equity. Also known as the debt-to-equity ratio. This key figure is used to assess the financing structure.

Gross domestic product (GDP). A measure of the economic performance of a national economy. It specifies the value of all goods and services produced within a country in a year.

Hedging. Securing a transaction against risks, such as fluctuations in exchange rates, by entering into an offsetting hedge transaction, typically in the form of a forward contract.

IAS. International Accounting Standards. Accounting standards developed and resolved by the IASB.

IASB. International Accounting Standards Board. Independent standardization committee.

IFRIC. International Financial Reporting Interpretations Committee (predecessor of the IFRS IC).

IFRS. International Financial Reporting Standards. The standards are developed and resolved by the IASB. In a broad sense, they also include the IAS, the interpretations of the IFRS IC or of the predecessor IFRIC as well as the former SIC.

IFRS IC. International Financial Reporting Standards Interpretations Committee.

Interest-rate swap. The exchange of interest payments between two parties. For example, this allows variable interest rates to be exchanged for fixed interest or vice versa.

Net indebtedness. The net amount of interest-bearing financial liabilities as recognized in the statement of financial position, the fair values of the derivative instruments, cash and cash equivalents, as well as other interest-bearing investments. This figure is the basis for calculating key figures of the capital structure.

Operating assets. The assets less liabilities as reported in the statement of financial position, without recognizing the net indebtedness, sale of trade accounts receivable, deferred tax assets, income tax receivables and payables, as well as other financial assets and debts. Average operating assets are calculated as at the end of the quarterly periods and, according to our definition, correspond to the capital employed.

Organic sales growth. Sales performance of a unit before changes in the scope of consolidation and exchange-rate effects. Therefore describes a unit's performance relying on its own resources.

PPA. Purchase price allocation. The process of breaking down the purchase price and assigning the values to the identified assets, liabilities and contingent liabilities following a business combination. Subsequent adjustments to the opening statement of financial position – resulting from differences between the preliminary and final fair values at the date of initial consolidation – are also recognized as PPA.

Rating. Standardized indicator for the international finance markets that assesses and classifies the creditworthiness of a debtor. The classification is the result of an economic analysis of the debtor by specialist rating companies.

Research and development expenses (net). Research and development expenses (net) are defined as expenses for research and development less reimbursements and subsidies that we received in this context.

Return on capital employed (ROCE). The ratio of EBIT to average operating assets for the fiscal year. The ROCE corresponds to the rate of return on the capital employed and is used to assess the company's profitability and efficiency.

SIC. Standing Interpretations Committee (predecessor of the IFRIC).

Tax rate. The ratio of income tax expense to the earnings before tax. It can be used to estimate the company's tax burden.

Unrestricted cash and cash equivalents. Cash and cash equivalents after the deduction of cash and cash equivalents that are subject to certain restrictions, as is the case, for example, with pledged amounts and balances in countries with foreign-exchange restrictions or other barriers to accessing liquidity. Taxes to be paid on the transfer of cash assets from one country to another are not usually considered to represent a restriction on cash and cash equivalents.

Weighted average cost of capital (WACC). The weighted average cost of the required return on equity and net interest-bearing liabilities.

Working capital. Inventories plus trade accounts receivable less trade accounts payable. Sales of trade accounts receivable are not included.

Corporate Profile
Structure of the Continental Group

Automotive, Tires and ContiTech: the three strong pillars of the Continental Group.

Organizational structure
The Continental Group is divided into four group sectors: Automotive, Tires, ContiTech and Contract Manufacturing. Since November 1, 2024, these have comprised a total of 15 business areas.

A group sector or business area with overall responsibility for a business, including its results, is classified according to product requirements, market trends, customer groups and distribution channels.

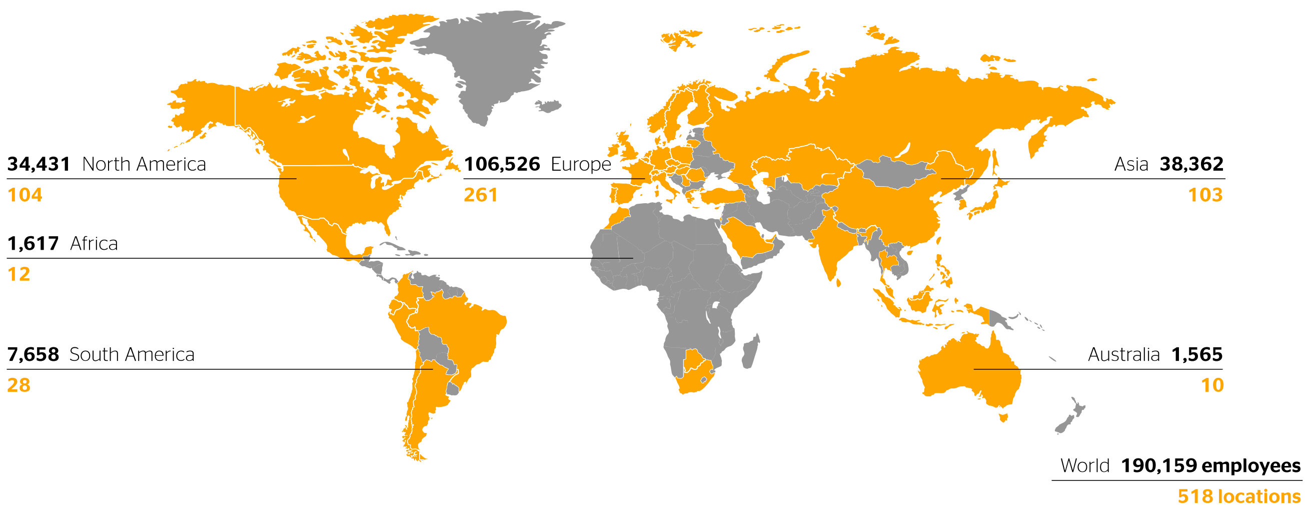
Business responsibility
Overall responsibility for managing the company lies with the Executive Board of Continental Aktiengesellschaft (AG). The Automotive, Tires and ContiTech group sectors are each represented on the Executive Board.

Spanning the group sectors are the group functions of Continental AG, which are represented by the chairman of the Executive Board, the chief financial officer and the chief HR officer. These functions include Finance and Controlling, Integrity and Law, Compliance, Internal Audit, Quality Management, Human Relations, Sustainability, IT and Group Purchasing.

Customer structure
With a 62% share of consolidated sales, the automotive industry – with the exception of the replacement business – is our most important customer group. This industry is particularly important for the growth of the Automotive group sector. In the Tires group sector, sales to dealers and end users represent the largest share of the tire-replacement business. In the ContiTech group sector, the customer base is made up of the energy, agriculture and construction industries, interior design and the automotive and replacement businesses. In the Contract Manufacturing group sector, the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) constitutes the sole customer.

Companies and locations
Continental AG is the parent company of the Continental Group. In addition to Continental AG, the Continental Group comprises 477 companies, including non-controlled companies. The Continental team is made up of 190,159 employees at 518 locations for production, research and development, and administration in 55 countries and markets. Added to this are distribution locations, with 848 company-owned tire outlets and a total of around 5,600 franchises and operations with a Continental brand presence.

518 locations in 55 countries and markets



Structure of the Continental Group in 2024

Continental Group			
Automotive	Tires	ContiTech	Contract Manufacturing

The **Automotive group sector** offers technologies for safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, camera solutions for the vehicle interior as well as intelligent information and communication technology associated with the mobility services of fleet operators and commercial vehicle manufacturers. Comprehensive activities relating to vehicle connectivity, architecture and electronics, as well as high-performance computers and software solutions, round off the range of products and services.

Since November 1, 2024, the group sector has been divided into four business areas:

- Architecture and Network Solutions (formerly Architecture and Networking)
- Autonomous Mobility
- Safety and Motion
- User Experience

The former Software and Central Technologies business area was discontinued effective November 1, 2024, and has since been included in the Automotive group sector.

The **Tires group sector** offers a premium portfolio of innovative tire solutions for the passenger car, truck, bus, two-wheeler and specialty segment, as well as intelligent products and services related to tires and the promotion of sustainability. For specialist dealers and fleet managers, Tires provides digital tire monitoring and tire management systems, in addition to other services, which keep fleets mobile and increase their efficiency. With its tires, the group sector contributes to safe, efficient and environmentally friendly mobility. In the reporting year, 24% of sales in Tires related to business with vehicle manufacturers, and 76% related to the tire-replacement business. The group sector is divided into five business areas:

- Original Equipment
- Replacement APAC
- Replacement EMEA
- Replacement The Americas
- Specialty Tires

The **ContiTech group sector** draws on its materials expertise to develop solutions for industrial applications made from rubber, metal and textiles. Its broad portfolio of hoses, conveyor belts, air springs and drive belts is designed for the operating conditions in industrial environments, which can be challenging. At the same time, ContiTech offers surface materials with an appealing look and feel for home and vehicle interiors. ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design. In the reporting year, 44% of sales in ContiTech related to business with automotive manufacturers, and 56% to business with other industries and in the automotive replacement market. The group sector is divided into five business areas:

- Industrial Solutions Americas
- Industrial Solutions APAC
- Industrial Solutions EMEA
- Original Equipment Solutions
- Surface Solutions

The contract manufacturing of products by Continental companies for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is consolidated in the **Contract Manufacturing group sector**. This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will continue to be promoted and the volume of contract manufacturing reduced. Contract Manufacturing includes one business area:

- Contract Manufacturing

Globally interconnected value creation
Research and development (R&D) took place at 91 locations in the reporting year, predominantly in close proximity to our customers to ensure that Continental can respond flexibly to their various requirements and to regional market conditions. This applies particularly to projects of the Automotive and ContiTech group sectors. In the Tires group sector, R&D is largely centrally organized, since product requirements for tires are much the same across the world. They are adapted according to the specific requirements of each market. Continental generally invests around 7% of sales in R&D each year. For more information, see the Research and Development section.

Continental processes a wide range of raw materials and semi-finished products. The purchasing volume in the reporting year was €26.6 billion in total, €18.0 billion of which was for production materials. Electronics and electromechanical components together make up around 43% of the Continental Group's purchasing volume for production materials, which are primarily used in the Automotive and Contract Manufacturing group sectors, while mechanical components account for around 20%. Natural rubber and oil-based chemicals as well as synthetic rubber and carbon black are key raw materials for the Tires and ContiTech group sectors. The total purchasing volume for these materials likewise amounts to around 23% of the total volume for production materials. For more information, see the Development of Raw Materials Markets section in the economic report.

Production and sales in the Automotive and ContiTech group sectors are organized across regions. For the Tires group sector, economies of scale play a key role when it comes to tire manufacturing. Low production costs coupled with large volumes and proximity to our customers or high rates of regional growth constitute key success factors. For this reason, manufacturing takes place at major locations in the dominant automotive markets, namely Europe, the USA and China. Tires are sold worldwide via our dealer network of tire outlets and franchises, as well as through tire trading in general.

Globally interconnected value creation

R&D	Purchasing	Production	Sales & Distribution
Innovative €2.9 billion in expenditure	**Diverse** €26.6 billion in volumes	**Global** 207 locations	**Local** €39.7 billion in sales

Strategy of the Continental Group

Continental is the mobility and material technology group for safe, smart and sustainable solutions.

Continental's corporate strategy is founded on three strategic pillars, which in turn define clear timelines for the future objectives of the group sectors – and of the Continental Group as a whole.

In 2024, Continental rigorously implemented this strategy for increasing value creation. At the same time, the Executive Board took decisive action in response to the constantly and quickly changing conditions faced by our group sectors. In the automotive market in particular, trends are becoming harder to predict. Examples of this include rapid shifts in our customers' market shares, intense price competition and the need for greater agility as part of collaboration with technology companies.

As a result, and in line with its renewed strategic focus, Continental's Executive Board decided – after conducting a detailed evaluation – to spin off the Automotive and Contract Manufacturing group sectors, subject to the approval of the Supervisory Board and the Annual Shareholders' Meeting of Continental AG. For Automotive, a spin-off has the potential to create competitive opportunities, increase transparency and enhance agility, which will also benefit investors and partnerships. As a strong, independent entity, Automotive will be able to harness its full potential for creating value. The Tires and ContiTech group sectors will also benefit from a clearer focus on their respective business areas and their specific challenges.

The following elements were also important in fiscal 2024:

- The company continued to invest in particular in those areas with value creation upside and continuously expand its technology position in areas where it can expect to gain an edge over the competition.
- The Automotive, Tires and ContiTech group sectors rigorously implemented the measures initiated in 2023 to improve performance, each achieving successes.

These elements build upon the three strategic pillars introduced by Continental in 2020 in response to the transformation in the mobility industry and to pave the way for profitable growth.

- **Strengthening operational performance**
  By strengthening its operational performance, Continental can ensure its future viability and competitiveness. The company is aligning its cost structure to global market conditions.
- **Differentiating the portfolio**
  Continental continues to pursue the targeted differentiation of its product portfolio with a focus on growth and value.
- **Turning change into opportunity**
  The focus of Continental's organizational structure helps it to seize market opportunities and translate them into profit even more quickly. Transparent structures and a high level of autonomy make the company more flexible in an increasingly complex market environment.

Continental's strategic goals are based on its vision:

CREATING VALUE FOR A BETTER TOMORROW.
OUR TECHNOLOGIES. YOUR SOLUTIONS. POWERED BY THE PASSION OF OUR PEOPLE.

"CREATING VALUE": Continental aims to create value in everything it does. This can be financial value for its shareholders as well as value for its customers, its employees and the social environment in which it operates.

"A BETTER TOMORROW": With its products and services, Continental contributes to making the world a little better. It develops and produces the mobility of tomorrow in a way that is more convenient and comfortable, safer and more sustainable. At the same time, "a better tomorrow" means acting now and not in the distant future.

"OUR TECHNOLOGIES. YOUR SOLUTIONS": Continental is a technology company and believes that it will only be able to tackle the challenges of our time by rapidly developing the right technologies. Continental's technology should help its customers make their products even better and more useful. Because Continental is customer-focused in everything it does.

"POWERED BY THE PASSION OF OUR PEOPLE": Continental stands for a certain culture. A culture of mutual respect. A culture of togetherness. And a culture of passion.

Automotive: focus on value-creating business areas with high growth

In the Automotive group sector, Continental continues to focus on value-creating business areas with high growth. With its updated strategy, the group sector aims to systematically increase its profitability and competitiveness. The strategy is geared toward achieving a leading market position in all business areas, positioning these areas to achieve maximum efficiency, and becoming the preferred system integrator for software-defined vehicles.

The dynamic development of markets and customer requirements in the automotive industry calls for greater flexibility. The Automotive group sector's strategy is based on the three cornerstones "lead – focus – perform" in order to effectively address the future market for software-defined and autonomous vehicles.

- **Lead** means striving for a leading market position through outstanding products and services.
- **Focus** is aimed at actively adapting the product portfolio to changing market conditions and customer requirements.
- **Perform** is focused on laying a solid foundation for commercial success with efficient structures and a strong financial base.

Automotive was organizationally realigned according to this strategy. Specifically, expertise in software and high-performance computers was consolidated in the Architecture and Network Solutions business area, while commercial vehicle expertise was concentrated in the Autonomous Mobility business area. Furthermore, the Automotive Aftermarket area was integrated into the Safety and Motion business area.

Continental is aiming for above-average growth in the Automotive group sector compared with the market environment. This is to be achieved by improving the group sector's market share – in particular among Asian automotive manufacturers, which are growing at a disproportionate rate – increasing value creation per vehicle and adjusting prices. In addition, Continental has taken various measures to optimize operational costs and cash inflow. These include increasing efficiency in the manufacture of electronic components, reducing freight costs and optimizing inventory turnover.

Independently of this, Automotive is aiming to reduce costs significantly by €400 million per year from 2025 by simplifying administrative structures, reducing the complexity of interfaces and hierarchy levels, and speeding up decision-making processes. Automotive is also planning to further optimize its use of research and development resources. This will be achieved by consolidating its development locations worldwide, for example.

Tires: premium tires will continue to create opportunities for profitable growth

In the Tires group sector, Continental continues to focus on stable earnings from customer-focused solutions as well as operational excellence. Sustainable products and solutions, the transformation toward electric mobility and digital tire services will also create various opportunities for further profitable growth and exceptional value creation. The basis for the group sector's commercial success is its operational efficiency. Capacity and modern production technologies are continually adapted to changing market requirements. This enables Tires to benefit from major economies of scale and scope, with around 80% of its global production capacity bundled in so-called megafactories.

Continental already offers its most sustainable passenger car tire on the market as a production tire and is growing in the area of data-based tire services. In total, it has around 500 original equipment approvals for supplying fully electric models from automotive manufacturers worldwide, including the 10 highest-volume manufacturers of fully electric cars.

The Tires group sector sees strong growth potential in the Asia-Pacific region as well as North and South America. Based on its strategy of being in the market for the market, production capacity is being expanded accordingly in these regions – such as at the Chinese plant in Hefei in 2024. The recovery of the weak demand seen in the reporting year in the original equipment business and the segment for specialty tires, continuous increases in efficiency, the ongoing trend worldwide toward larger and higher-performing tires as well as high cost discipline will form the basis for sales and margin increases.

ContiTech: group sector strengthens strategic focus on industrial business
In its ContiTech group sector, Continental is focusing on reliable profitability thanks to material solutions made from rubber and plastics. At the same time, the group sector is strengthening its strategic focus on the industrial business and plans to increase the share of sales accounted for by the industrial business from 56% currently to 60% in the medium term. ContiTech's ambition is to achieve an industrial share of sales of around 80%. This is to be achieved organically through greater penetration of existing and new markets, systematic expansion of the replacement market business and innovative product portfolio expansions, as well as inorganically through investments and divestments.

ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design. These industries place high demands on the materials and products used. The ContiTech group sector benefits here from its high level of materials expertise and technological production expertise. In combination with its broad product portfolio, which includes high-performance solutions for hoses, drive belts, conveyor belts and surfaces, ContiTech is well positioned for further profitable growth.

As already announced, the Original Equipment Solutions (OESL) business area – comprising the automotive business of ContiTech, with the exception of surface solutions for vehicle interiors – will also be made organizationally independent with a view to its subsequent sale.

Continental's strategy forms the basis for its success as a company
This strategy forms the basis for strengthening Continental AG moving forward. All group sectors have introduced extensive measures and have a strong product portfolio that is fit for the future. On this basis, Continental's group sectors (with the exception of Contract Manufacturing) aim to further increase their sales and earnings. Pending the Supervisory Board's and the Annual Shareholders' Meeting's approval of the planned spin-off of Automotive and Contract Manufacturing, the new mid-term targets for Continental and the future Automotive company are expected to be presented at Capital Market Days in summer 2025.

Increase in value creation
We are confident that the strategic positioning of the Automotive, Tires and ContiTech group sectors will lead to long-term success. By successfully implementing short-term strategic measures to improve performance, and with a clear focus on medium and long-term targets, all group sectors have a balanced and resilient portfolio.

Consistently increasing our organizational agility, as well as having clear market positioning and efficient structures, will help to consolidate our position as the mobility and material technology group for safe, smart and sustainable solutions.

The decision to potentially spin off Automotive and Contract Manufacturing and to strengthen the independence of the Tires and ContiTech group sectors are important steps aimed at leveraging our full potential for creating value.

Continental in the "Era of Execution"

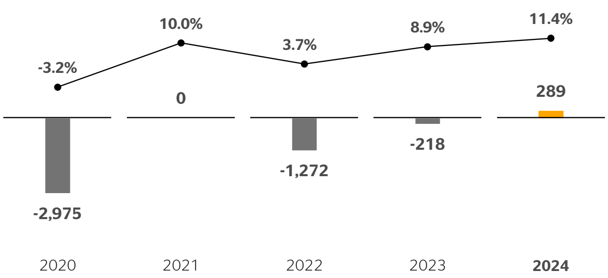
Enhancing agility, optimizing structures and strengthening our market position

Corporate Management

The goal is the sustained increase in the Continental Group's value.

Value management
Value management at Continental is focused on value creation through profitable sales growth. Key financial performance indicators are sales, the adjusted EBIT margin, capital expenditure, adjusted free cash flow and capital employed. For management purposes and to map interdependencies, we use key figures based on these financial performance indicators as part of a value-driver system. Our mid-term corporate objectives center on the sustainable enhancement of the value of each individual operating unit. This goal is achieved by generating a positive return on the capital employed that sustainably exceeds the associated equity and debt financing costs within each individual unit. Crucial to this is that the absolute contribution to value (the Continental Value Contribution (CVC)) increases year-on-year. This can be achieved by increasing the return on capital employed (with the costs of capital remaining constant), lowering the costs of capital (while maintaining the return on capital employed) or decreasing capital employed over time. The performance indicators used are earnings before income and tax (EBIT), capital employed and the weighted average cost of capital (WACC), which is calculated from the proportional weight of equity and debt costs.

Continental Value Contribution (CVC) € millions **ROCE** %



For 2021, the figures for continuing operations are shown.

EBIT is the net total of sales, other income and expenses plus income from equity-accounted investees and from investments but before financial result and income tax expense. In the year under review, EBIT for the Continental Group was €2,287 million.

Capital employed is the funds used by the company to generate its sales. At Continental, this figure is calculated as the average of operating assets as at the end of the quarterly reporting periods. In 2024, average operating assets amounted to €20.0 billion.

The return on capital employed (ROCE) represents the ratio of these two calculated values. Comparing a figure from the statement of income (EBIT) with one from the statement of financial position (capital employed) produces an integral analysis. We deal with the problem of the different periods of analysis by calculating the capital employed as an average figure over the ends of quarterly reporting periods. The ROCE amounted to 11.4% in 2024.

The WACC is calculated to determine the cost of financing the capital employed. Equity costs are based on the return from a risk-free alternative investment plus a market risk premium, taking into account Continental's specific risk. Borrowing costs are calculated based on Continental's weighted debt-capital cost rate. Based on the long-term average, the cost of capital for our company is about 10%.

Value is added if the ROCE exceeds the WACC. We call this value added, produced by subtracting the WACC from the ROCE multiplied by average operating assets, the Continental Value Contribution (CVC). In 2024, the CVC amounted to €289 million.

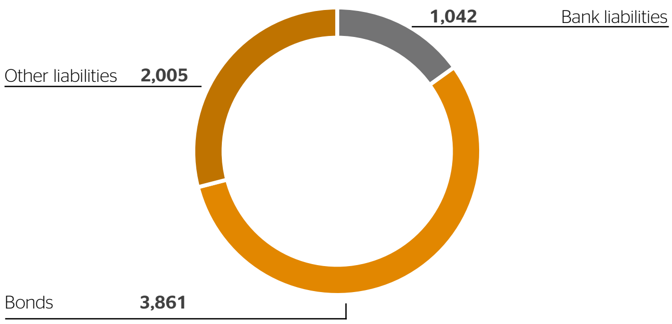
ROCE by group sector (%)	**2024**	2023
Automotive	2.6	-0.6
Tires	24.9	22.9
ContiTech	8.2	11.6
Contract Manufacturing	12.6	1.1
Continental Group	**11.4**	**8.9**

Financing strategy

Our financing strategy aims to support the value-adding growth of the Continental Group while at the same time complying with an equity and liabilities structure adequate for the risks and rewards of our business.

The Finance & Treasury group function provides the necessary financial framework to finance corporate growth and secure the long-term existence of the company. The company's annual investment requirements are likely to be around 6% of sales in the coming years.

Composition of gross indebtedness (€6,909 million)



Our goal is to finance ongoing investment requirements from the operating cash flow. Other investment projects, such as major acquisitions, should be financed from a balanced mix of equity and debt depending on the ratio of net indebtedness to equity (gearing ratio) and the liquidity situation to achieve constant improvement in the respective capital market environment. In general, the gearing ratio should be below 40% in the coming years. If justified by extraordinary financing reasons or specific market circumstances, we can rise above this ratio under certain conditions. The equity ratio should exceed 30%. In the reporting year, the equity ratio was 40.0% and the gearing ratio was 25.1%.

Gross indebtedness amounted to €6,909 million as at December 31, 2024. Key financing instruments are the syndicated loan with a revolving credit line of €4.0 billion that has been granted until December 2026, and bonds issued on the capital market. Our gross indebtedness should be a balanced mix of liabilities to banks and other sources of financing on the capital market. For short-term financing in particular, we use a wide range of financing instruments. As at the end of 2024, this mix consisted of bonds (56%), a syndicated loan (not utilized), other bank liabilities (15%) and other indebtedness (29%), based on gross indebtedness. The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4.0 billion and has an original term of five years. The margin for the loan will also depend on the Continental Group's sustainability performance. If the Continental Group achieves the performance improvements in sustainability as set out in detail in the loan agreement, this will reduce the margin; non-achievement will result in a margin increase. Continental has exercised two options, each extending the term of the loan by one year. This ensures the financing commitment of the banks until December 2026.

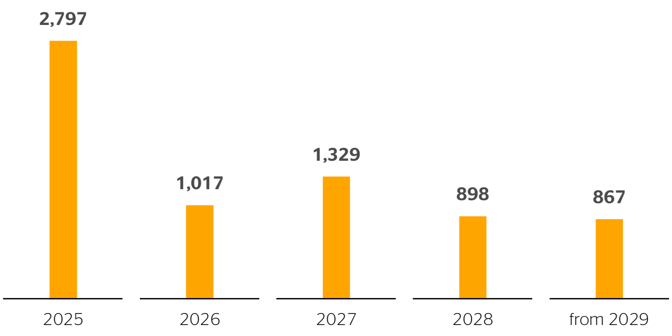
The company aims to have at its disposal unrestricted liquidity of around €1.5 billion. This is supplemented by committed, unutilized credit lines from banks in order to cover liquidity requirements at all times. These requirements fluctuate during a calendar year owing in particular to the seasonal nature of some business areas. In addition, the amount of liquidity required is also influenced by corporate growth. Unrestricted cash and cash equivalents amounted to €2,720 million as at December 31, 2024. There were also committed and unutilized credit lines of €4,966 million.

As at December 31, 2024, the revolving credit line of €4.0 billion had not been utilized. Around 56% of gross indebtedness is financed on the capital market in the form of bonds. The interest coupons vary between 0.375% and 4.000% p.a. In 2024, Continental redeemed a maturing bond in the amount of €625 million. In conjunction with this, and in order to optimize the maturity profile of its indebtedness, Continental issued one new bond in October 2024. This bond with a volume of €600 million, an interest rate of 3.500% p.a. and a term of five years was placed with investors. In addition to the forms of financing already mentioned, there were also bilateral credit lines with various banks in the amount of €2,034 million as at December 31, 2024. Continental's corporate financing instruments currently also include sale-of-receivables programs and commercial paper programs. As in the previous year, Continental had two commercial paper programs in Germany and the USA in 2024. While the program in Germany had been utilized at the end of 2024 in the nominal amount of €310 million, the program in the USA had not been utilized.

Maturity profile

Continental strives for a balanced maturity profile, particularly with respect to its capital market liabilities, in order to be able to repay the amounts due each year from free cash flow as far as possible. Aside from short-term indebtedness, most of which can be rolled on to the next year, one bond in the amount of €600 million will mature in 2025. The other bonds issued in the period from 2020 to 2024 require repayments of €750 million in 2026, €1,125 million in 2027, €750 million in 2028 and €600 million in 2029.

Maturities of gross indebtedness (€6,909 million)



Continental's credit rating unchanged

In the reporting period, Continental AG was rated by the three credit rating agencies Standard & Poor's, Fitch and Moody's, each of which maintained their investment-grade credit ratings in 2024. In August 2024, the rating outlook at Standard & Poor's changed from stable to developing, while at Fitch it improved from stable to positive. The most recent rating adjustment took place in spring 2020, when all three credit rating agencies adjusted their long-term credit rating downward by one notch. Our goal remains a credit rating of BBB/BBB+.

Credit rating for Continental AG

	Dec. 31, 2024	Dec. 31, 2023
Standard & Poor's[1]		
Long-term	BBB	BBB
Short-term	A-2	A-2
Outlook	developing	stable
Fitch[2]		
Long-term	BBB	BBB
Short-term	F2	F2
Outlook	positive	stable
Moody's[3]		
Long-term	Baa2	Baa2
Short-term	P-2	P-2
Outlook	stable	stable

1 Contracted rating since May 19, 2000.
2 Contracted rating since November 7, 2013.
3 Contracted rating since January 1, 2019.

Sustainability Management

Sustainability Ambition of the Continental Group

Sustainability is a driver of innovation for Continental during the current transformation of mobility and industry, and is thus firmly anchored in its corporate strategy in the cornerstone of "turning change into opportunity." Sustainability is also a key component in our vision of "CREATING VALUE FOR A BETTER TOMORROW."

In the Continental Group's sustainability ambition, we describe how we want to shape this transformation in the relevant topic areas with respect to sustainability in order to reduce negative impacts and strengthen positive effects, seize transformation opportunities and mitigate transformation risks. Along with the relevant guidelines, this ambition constitutes the framework for existing management approaches, strategies, programs, processes and targets, as well as their further development. In our four focus areas of sustainability, we are committed to strong, visionary ambitions, which we want to achieve by 2050 at the latest, together with our partners along the value chain:

- **Carbon neutrality**
  We strive for 100% carbon neutrality along our entire value chain (products, operations and supply chain).
- **Emission-free mobility and industry**
  We strive for 100% emission-free mobility and industry. "Emission-free" refers to zero emissions of greenhouse gases and nitrogen oxides (NOx), for example. It does not include harmless emissions such as steam, non-toxic, biodegradable particle emissions or minimal noise emissions.
- **Circular economy**
  We strive for 100% closed resource and product cycles.
- **Responsible value chain**
  We strive for 100% responsible sourcing and business partnerships along the value chain.

The specific management approaches, strategies, programs, processes and targets are presented in a separate dedicated section of this management report, the sustainability report, starting on page 95. The entire ambition can be found on our website at www.continental-sustainability.com.

Responsibility and Management

The Sustainability Steering Committee of the Continental Group is responsible for assessing cross-functional issues, weighing up opportunities and risks and discussing relevant Executive Board decisions in advance. In fiscal 2024, it consisted of the entire Executive Board, Group Sustainability and other functions at group and group-sector level. The committee is chaired by the Executive Board member for Group Human Relations (director of Labor Relations) and Group Sustainability and managed by the head of the Group Sustainability group function.

The Executive Board, senior executives and executives worldwide are measured against progress made using specific sustainability indicators. Long-term remuneration components are thus also linked to sustainability aspects. The long-term incentive plans (LTI plans) are updated on an annual basis, meaning the sustainability indicators used for the plans differ. In addition, a sustainability indicator was integrated into short-term remuneration for 2024. The indicators used thus formally represent the remuneration-related, management-relevant indicators relating to sustainability.

For detailed information on the remuneration system, see the remuneration report on our website under Company/Corporate Governance/Executive Board.

Further information on sustainability indicators and their collection can be found in the sustainability report in a separate section of this management report.

The most significant key performance indicators for the Continental Group consist of financial indicators and can be found in this management report: in the Corporate Management section of the corporate profile and in the Outlook for the Continental Group section of the report on expected developments.

Intangible Resources

Intangible resources represent a crucial foundation for Continental's value generation and are therefore essential to its business model. A number of high-value, non-financial factors are considered to be intangible resources. These are also partially recognized in the consolidated financial statements and include in particular:

- **Innovative strength**
  Continental's research and development activities and the resulting innovative strength are a driver for success in constantly changing markets. For more information, please refer mainly to the Strategy of the Continental Group and Research and Development sections and also to the consolidated financial statements, particularly under goodwill and other intangible assets.

- **Management processes, production methods and processes**
  Continental has developed various business models to be successful in the market. The management of business models is based on systematic management processes. In our business models, we are also able to rely on established and innovative production methods and processes. For more information, please refer mainly to the Corporate Management, Strategy of the Continental Group and Development of the Group Sectors sections and the corporate governance report.

- **Relationships with customers, suppliers and investors**
  Continental is part of a global value chain that depends on cooperation. As a supplier to the automotive industry and many other sectors, customers and their requirements are at the center of Continental's business models. In this regard, customer proximity, also in the geographical sense, is one of the company's key strengths. Continental processes a wide range of raw materials and semi-finished products to manufacture its innovative products and solutions, which it sources from a global network of suppliers. This makes close and stable relationships with suppliers an

equally important aspect of our business. As a listed company funded through the financial markets, trustful collaboration with investors and lenders is also a valuable asset and a prerequisite for the company's long-term success. For more information, please refer mainly to the Structure of the Continental Group, Strategy of the Continental Group and Corporate Management sections.

❯ Employees and corporate culture

Around 190,000 employees worldwide are the foundation for the company's success while also forming the backbone of other intangible resources such as innovative strength and relationships with customers, suppliers and investors. Healthy, qualified and motivated employees as well as good working conditions are therefore crucial for the company's performance. Additional comprehensive information on employee-related intangible resources can be found in the sustainability report in a separate section of this management report. Continental's corporate values define a successful corporate culture. The globally applicable Code of Conduct provides binding guidance for the behavior of every employee. We measure the success of implementation against, among other things, the OUR BASICS Live Sustainable Engagement index, which is calculated on the basis of the annual employee survey. The index measures employee agreement on topics such as whether they personally support the company values and whether they are proud to work for Continental.

Additional comprehensive information on sustainability-related intangible resources, the associated management approaches, interdependencies, impacts, risks and opportunities can be found in the sustainability report in a separate section of this management report.

Reference to the Combined Non-Financial Statement

The combined non-financial statement in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e of the German Commercial Code *(Handelsgesetzbuch – HGB)* for the Continental Group and Continental AG for fiscal 2024 can be found in the sustainability report, which constitutes a separate section of this management report.

The sustainability report contains, in a separate section, the information that needs to be disclosed for fiscal 2024 in accordance with Art. 8 of EU Taxonomy Regulation (EU) 2020/852 in conjunction with Art. 10 (2) of Delegated Regulation (EU) 2021/2178.

Remuneration-related and other management-relevant indicators relating to sustainability

	2024	2023
Combined own Scope 1 and market-based Scope 2 GHG emissions in millions of metric tons of CO_2e[1]	0.83	0.89
Waste for recovery quota in %[2]	87	87
Gender diversity – share of female executives and senior executives excluding the USA (as at December 31) in %[3]	20.6	19.8
Sickness rate in %[4]	3.3	3.2
Accident rate of work-related accidents with lost workdays (number of accidents per 1 million working hours)[5]	2.1	2.1
OUR BASICS Live Sustainable Engagement index in %[6]	79	81
OUR BASICS Live Integrity Perception index in %[6]	79	81

Definitions, assumptions and calculation methods:

1 Gross greenhouse gas emissions (GHG emissions) for Scope 1 and market-based Scope 2 are considered. The following greenhouse gases are covered: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); sulfur hexafluoride (SF_6); nitrogen trifluoride (NF_3); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs). The indicator labeling has been amended in line with the ESRS. The prior-year figures still exclude emissions from refrigerants.

2 Waste for recovery quota: this indicator is the total of hazardous waste and non-hazardous waste for recovery and energy recovery, divided by the total volume of waste. Construction waste is not included. The data is collected by individual locations. For certain locations, modeled calculations are used, considering the number of employees and the type of operation.

3 Gender diversity – share of female senior executives and executives excluding the USA: the indicator includes employees of the Continental Group with a valid and active employment contract as at December 31, 2024. The gender distribution is based on the information provided by employees that is documented in Continental's systems. The indicator takes into account the female gender and the male gender. Senior executives and executives are defined by Continental's grading system. Relevant legal entities are included in the indicator, while legal entities in the USA are excluded, so that this indicator can be used in the remuneration system. The data is collected by the legal entities of the Continental Group. The indicator is calculated by dividing the number of female senior executives and executives by the total number of senior executives and executives at the end of the reporting year.

4 Sickness rate: the indicator includes own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, trainees and non-employee are not included. Sickness includes paid and unpaid sick days. The data is collected by individual locations. The indicator is calculated by dividing the total paid and unpaid sick days by the total number of working hours. The indicator was used in the syndicated loan in 2024.

5 Accident rate of work-related accidents with lost workdays: the indicator includes own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, trainees and other employees are not included. Work-related accidents are accidents that occur during working hours and are work-related. The accident must result in one or more days lost after the day of the accident to be counted. Working hours are defined as paid working time. The data is collected by individual locations. The number of work-related accidents is multiplied by one million and then divided by the total number of working hours. The indicator labeling has been amended in line with the ESRS.

6 OUR BASICS Live Sustainable Engagement and Integrity Perception index: our OUR BASICS Live indexes are defined as own employee agreement on topics relating to the respective subject area in the OUR BASICS Live employee survey. The survey is based on a representative random sample across all Continental locations worldwide.

Further information on the specified indicators can be found in the sustainability report in a separate section of this management report.

Research and Development

Continental is developing new solutions for the mobility of the future.

The Continental Mobility Study 2024 clearly shows that technological advances in the areas of automated driving, large displays and voice control using artificial intelligence (AI) are highly popular with users. The use of sustainable materials in the production of tires is also attracting a lot of interest. These developments are geared to providing specially customized solutions – market-specific, tailor-made and modular. Another growing trend is that automotive interiors are being used for a wider range of purposes. These findings are incorporated directly into Continental’s research and development strategies in order to respond to customers’ ever-evolving requirements.

Continental is a driving force of automotive R&D excellence
The comprehensive strategy program “R&D Excellence” aims to reduce the research and development ratio of the Automotive group sector to below 10% of sales by 2027 and bring together developers at the highest level with a focus on effectiveness, efficiency and excellence. To achieve this, the program is designed to prioritize measures with the greatest impact and clear objectives. Significant progress was already made in 2024 in terms of the operating cost base, and implementation has picked up speed in all four pillars defined for the project: software excellence, project execution, footprint optimization, and specific measures within the business areas. The research and development teams in the Automotive group sector actively contribute ideas for improvement. Automotive is promoting R&D excellence as a way to rethink its operations and structural setup. The feedback of both developers and vehicle manufacturers is incorporated for this purpose, with a focus on driving technological progress.

Continental Holistic Motion Control software – first order from China
The Automotive group sector has received its first order for its newly developed “Holistic Motion Control” software – a decisive step toward industrializing the software-defined vehicle. The software decouples the driving functions for manual, assisted and autonomous driving from the hardware, paving the way for hardware-independent software functions and innovations. This is possible throughout the entire service life of a vehicle, with new function updates rolled out over the air.

The software package is scheduled to be launched on the market in 2025 as a pilot project in collaboration with a major Chinese automotive manufacturer and is already being scaled for multiple platforms and new customers. Holistic Motion Control can also be marketed as a stand-alone product. This cuts down on development costs and taps into potential new markets for the automotive software business. It complements the broad-based hardware and system business and gives Continental a decisive edge over the competition when it comes to the software-defined vehicle.

Continental makes advances in server-based vehicle architectures with zone control units
With the introduction of its zone control units (ZCUs) for European and Asian car manufacturers, Continental has taken a decisive step toward server-based vehicle architectures. ZCUs form the middle layer of the electric and electronic architecture of software-defined vehicles. They enable decentralized power supply and support the separation of hardware and software. Thanks to its modular development platform, Continental is able to start production just over a year after receiving an order, accelerating the rollout of software-defined vehicles. ZCUs optimize data management by consolidating electronic connections within specific vehicle zones, reducing weight and complexity, and at the same time facilitating over-the-air software updates. This innovative architecture cuts down on the high number of individual electronic control units, simplifies cabling and minimizes CO_2 emissions.

By carrying over proven software across models, Continental has reduced the time and effort needed for validation, ultimately also accelerating the time to market. ZCUs were developed to help customers manage and minimize complexity and smooth the transition to more advanced vehicle architectures. Given the ongoing potential to enhance the efficiency of software-defined vehicle architectures, this solution will become more and more relevant in the future.

Transparent tech: Invisible Biometrics Sensing Display monitors passengers’ vital signs
With its new Invisible Biometrics Sensing Display, Continental has introduced an innovation in display technology that tracks the vital signs of persons inside the vehicle using a camera and a laser dot projector to support a wide range of safety and comfort features. What is special about the technology is that it is concealed out of sight behind the OLED display and can see through the screen itself. This boosts acceptance among users and unlocks new creative possibilities for designers of car interiors. In addition to its comprehensive driver monitoring functionalities, the solution offers new safety features such as 3D distance mapping for driver and passengers, providing optimized airbag deployment and reliable seat belt detection. Biometric image analysis also makes it possible to measure vital signs such as heart rate to identify stressful situations or an impending medical emergency – situations where every second counts. The Invisible Biometrics Sensing Display, which was developed in technological partnership with trinamiX, a leading provider of biometric solutions and subsidiary of BASF SE, was a CES Innovation Award Honoree in November 2024.

Continental receives CLEPA Innovation Award
Continental was awarded the prestigious CLEPA Innovation Award 2024 for outstanding technological achievements in the field of automotive software development. CLEPA, the European Association of Automotive Suppliers, presented the award in the “Digital” category to the Smart Cockpit High-Performance Computer Virtualization, a cloud-based solution that is revolutionizing the development of vehicles. This award highlights Continental’s dedication to enhancing future mobility, making it safer, more efficient and more sustainable through pioneering technologies. The virtualization solution makes it possible to start software development using virtual electronic control units (vECUs) before the hardware – e.g. for microcontrollers or processors – is even available. This allows the development of hardware and software to run largely independently of each other and at the same time in parallel, significantly reducing development time and making it easier to identify potential problems early on in the development process.

The solution is based on the vECU Creator, which is part of Continental’s cloud-based Automotive Edge framework (CAEdge). CAEdge provides a state-of-the-art virtual environment for fast and flexible software development and supports a number of different operating systems, including Android and Linux. This solution is instrumental in enabling the continuous development and integration of new features for improved safety and a better driving experience over the entire life cycle of a vehicle.

Continental introduces cross-domain high-performance computers and CAEdge software-defined vehicles
Continental has successfully deployed a pioneering cross-domain high-performance computer (HPC) in a car, showcasing the capability of software-defined vehicles (SDVs). This innovative HPC integrates cockpit functions and advanced functions for driving safety and automated parking. It is also a tangible example of how Continental’s cloud-based software development framework CAEdge can be applied in practice.

The collaboration with Qualcomm Technologies meant that developers were able to use the Snapdragon Ride Flex system-on-a-chip, optimizing both costs and performance. The integration improves the driving experience by offering added assistance features, safety and comfort.

The SDV technology vehicle serves as a platform for validating the seamless integration of multiple technologies within a single HPC architecture and underlining the feasibility and cost benefits of this approach. By reusing tried-and-tested software across all areas, Continental aims to reduce the time and effort involved in validation and accelerate development, ultimately speeding up the time to market. The CAEdge framework also supports efficient software development by giving engineers the option to test applications and resolve any faults in a cloud environment prior to deployment.

	2024		2023	
Research and development expenses (net)	€ millions	% of sales	€ millions	% of sales
Automotive	2,356	12.1	2,385	11.8
Tires	349	2.5	336	2.4
ContiTech	182	2.9	175	2.6
Contract Manufacturing	0	0.0	0	0.0
Continental Group	**2,888**	**7.3**	**2,896**	**7.0**
Capitalization of research and development expenses	**16**		**18**	
in % of research and development expenses	0.6		0.6	
Depreciation on capitalized research and development expenses	**52**		**50**	

Conti EfficientPro 5 sets new standards in rolling resistance
Continental offers its customers innovative tire solutions for the secure, sustainable and cost-efficient operation of trucks and buses. These include the new Conti EfficientPro 5. Developers have succeeded in reducing the tire's rolling resistance by 10% compared with its predecessor within the EU tire label Class A. As a steering-axle tire, it is also the first long-haul tire in size 315/70 to enable an axle load capacity of 8.5 metric tons, making it ideal for electric trucks. The original-equipment tire for long-distance applications sets new standards in energy efficiency and boosts battery range.

The tread's special rubber compound combined with the tire's rigid profile help to reduce rolling resistance, which in turn extends mileage by around 5% compared with the predecessor model. The tire's profile provides a secure grip and superior tracking, and the tire itself has extremely quiet external rolling noise (EU tire label Class A).

Continental, DT Swiss and Swiss Side partner to develop wheel-tire system featuring crosswind-taming AERO 111 bicycle tire
Continental has partnered with class-leading cycling brands DT Swiss and Swiss Side to create the ultimate wheel-tire system (WTS) for both enthusiast and pro riders looking to gain every marginal advantage in pursuit of performance. The collaboration has resulted in an innovative front-wheel-specific tire: the AERO 111.

Continental's most aerodynamic tire yet, the AERO 111 deploys a patented tread incorporating 48 cavities that are equally distributed over the tire surface. These innovative cavities act as vortex generators that control the turbulence of the air as it hits the front wheel. This action promotes the adherence of airflow to the front wheel rim profile and delays flow separation, maximizing the sailing effect. The AERO 111 uses Continental's race-optimized Black Chili tire compound to ensure exceptional rolling resistance and grip in both wet and dry conditions, while Active Comfort Technology absorbs vibrations for a smooth ride.

Continental offers automated and continuous tread depth measurement for commercial-vehicle tires
Continental is offering automated tread depth measurements for tires thanks to its latest generation of ContiConnect sensors. For the first time, fleet operators are now able to obtain precise and daily updated data on the rate of wear of their commercial-vehicle tires. Backed by AI-based algorithms, the sensors allow operators to precisely plan the tire services needed for individual commercial vehicles, as well as for their entire fleet. This increases the safety and efficiency of the fleet, saves costs and helps to reduce CO_2 emissions.

The sensor measures changes in the tire's radial acceleration. The more flexible the rubber of the tread, the shallower the tread depth. This data is used to draw conclusions about the changed rolling behavior of the tire and therefore about the tire wear. In turn, the AI utilizes the tire specifications and tire mileage, taking vehicle-specific factors into account. Based on these, it predicts the tread depth of the tire and the expected tire mileage. The new tread depth measurement and the tire service planning complement Continental's existing ContiConnect solution portfolio, which already includes data on tire pressure, temperature and mileage.

Top marks for Continental passenger-car tires in independent press tests
2024 saw Continental's summer, winter and all-season tires undergo 82 tests by independent trade media worldwide – all of which confirmed them as a good and safe choice. This was supported by an internal analysis in early February 2025. In the tests published this year, Continental's passenger-car tires placed in the top three in all segments 63 times. The PremiumContact 7 took first place in 19 out of 22 publications. A key reason behind these accolades is the tire's outstanding safety, with the PremiumContact 7 achieving significantly shorter braking distances on wet and dry roads than its competitors. Germany's ADAC also gave the tire top marks in the environment category thanks to its good mileage.

The WinterContact TS 870, developed by Continental especially for small and mid-sized cars, impressed in the winter tire tests by the ADAC, Auto Bild and the British trade magazine Auto Express.

Continental's AllSeasonContact 2 performed extremely well in this year's all-season tire tests: Germany's ACE Auto Club Europa, which tested the "all-rounder" in winter and summer together with the testing organization GTÜ and Austria's ARBÖ, crowned it test winner with the rating "highly recommended." It also emerged victorious in tests conducted by Autozeitung and sport auto as well as British online publication Tyre Reviews.

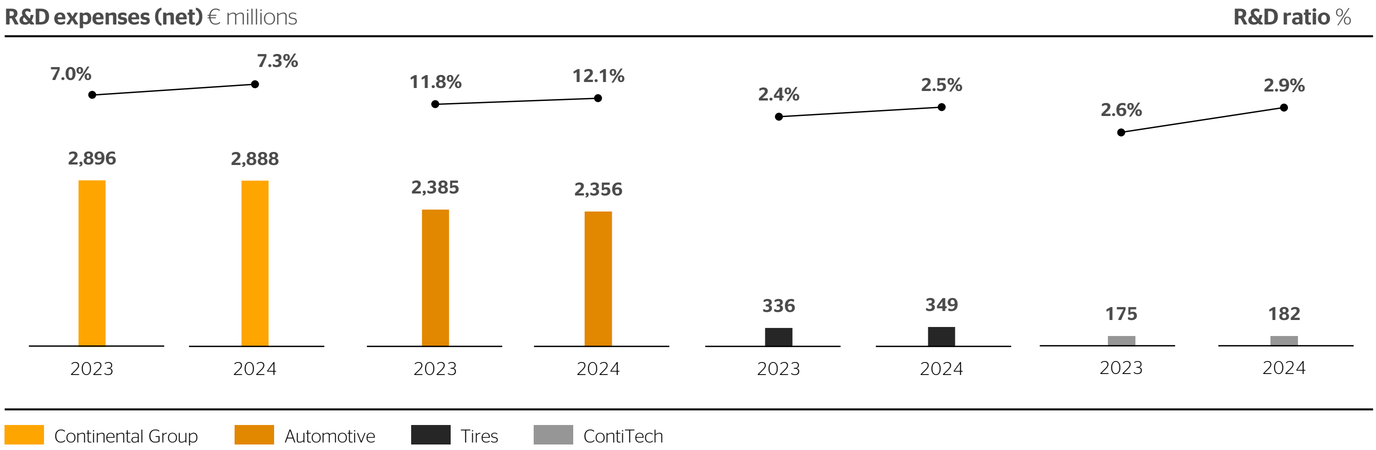
Continental unveils sustainable surface solutions for the vehicle interior

The surface specialists in the ContiTech group sector are pursuing sustainability ambitions with a focus on carbon neutrality and a closed circular economy, supported by innovative materials like Xpreshn that are used in the vehicle interior. This product can be supplied with a product carbon footprint (PCF) of 0, meaning that the volume of CO_2 released during manufacture is canceled out by the volume that is removed from the atmosphere. The material uses bio-based and recycled raw materials. As a thermoplastic monomaterial, Xpreshn can be fully recycled when it reaches the end of its life and the recyclate can be integrated into existing customer processes. In addition, the material weighs up to 60% less than standard materials and is also available in a vegan variant certified by PETA (People for the Ethical Treatment of Animals).

New rubber compound for Continental air springs cuts carbon footprint by more than a third

With its TOUGH RUNR air springs, the ContiTech group sector has developed an alternative to conventional air springs that is efficient and resistant to aging across an extremely broad temperature range. In addition, TOUGH RUNR's product carbon footprint (PCF) has been reduced by more than a third compared with an air spring based on synthetic rubber. The vast majority of air springs used in commercial vehicles are manufactured either from heat and ozone-resistant chloroprene, a synthetic rubber, or from cold-resistant natural rubber. For TOUGH RUNR, Continental developed a rubber compound consisting of natural rubber strengthened by especially high-performance ethylene propylene diene monomer (EPDM). The result: air springs that boast a combination of ecological properties and adaptability to climatic conditions.

For two years, TOUGH RUNR has been factory-fitted in the trucks of a major European commercial vehicle manufacturer. Continental is currently developing the product further with the goal of making the material selection even more environmentally friendly – without compromising on performance.



Economic Report
General Conditions

Macroeconomic Development

The global economy achieved moderate growth in 2024, dampened by geopolitical tensions, high energy prices and rising interest rates – particularly in the eurozone. Inflation eased gradually in most regions, while productivity and structural reform remained sluggish. According to the January 2025 World Economic Outlook Update (WEO Update) published by the International Monetary Fund (IMF), the global economy grew by 3.2% in fiscal 2024, which slightly exceeded the IMF's forecast of 3.1% growth from January 2024.

According to statistical office Eurostat, gross domestic product (GDP) in the eurozone rose by 0.7% year-on-year in 2024. For France and Italy, the IMF recorded growth rates of 1.1% and 0.6%, respectively, while Spain's economy grew by 3.1%. Conversely, GDP in Germany fell by 0.2% according to the Federal Statistical Office. The United Kingdom achieved growth of 0.9% according to the IMF, thus slightly outperforming the eurozone.

In North America, the USA posted GDP growth of 2.3% in 2024, according to the Bureau of Economic Analysis. For Canada and Mexico, the IMF recorded GDP growth of 1.3% and 1.8%, respectively. Other countries in the Americas also saw continued economic recovery in 2024. For Brazil, for example, the IMF estimated GDP growth of 3.7%.

Asian countries also recorded a continued economic revival in the year under review, according to the IMF. Significant growth was achieved in 2024 by India's economy, with GDP growth of 6.5%, by China, with growth of 4.8%, and by the Association of Southeast Asian Nations (ASEAN), with GDP growth of 4.5%. According to the IMF, a negative growth rate was reported for Japan, with a 0.2% decline in GDP.

Development of Key Customer Sectors and Sales Regions

With a 62% share of consolidated sales (PY: 64%), the automotive industry – with the exception of the replacement business – was Continental's most important customer group in fiscal 2024. The Automotive group sector accounted for the lion's share, but the Tires and ContiTech group sectors also generated significant sales figures in this market segment.

The second-biggest market segment for Continental was the global replacement-tire business for passenger cars and commercial vehicles, with 27% of total sales in fiscal 2024 (PY: 25%). Because passenger cars and light commercial vehicles make up a considerably higher share of the replacement-tire business, their development is particularly important to our economic success.

The third-biggest market segment for Continental was the global business with industrial customers and spare parts from the ContiTech group sector, with around 9% of total sales (PY: 9%).

Continental's biggest sales region in the reporting year was again Europe, which accounted for 49% of sales (PY: 48%), followed by North America at 26% (PY: 27%) and Asia-Pacific at 21% (PY: 21%).

Development of new passenger-car registrations
In 2024, the number of new passenger-car registrations increased in most major international automotive markets. Regional differences were still evident, however, particularly in terms of new registrations of electric vehicles as government subsidies were reduced or discontinued. The availability of many car models continued to improve year-on-year, while the market launch of new series by manufacturers was pushed back. Geopolitical and macroeconomic uncertainties and high consumer prices led to ongoing subdued demand in many relevant markets.

According to preliminary data from the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA), 13.0 million new vehicles were registered in the European car market (EU27, EFTA and the United Kingdom) in 2024, around 1% more than in the previous year. In Germany, 1% fewer car models were registered in 2024. The USA recorded a slight rise in new vehicle registrations, up by 2%; in Brazil, the rise was significantly higher at 14%. Passenger car sales fell by around 7% in Japan.

In China – the world's largest car market – the VDA recorded growth in 2024. The number of newly registered vehicles rose by 6% to 23.0 million units, slightly outperforming the Chinese economy as a whole. In India, sales of new vehicles were up 4% to 4.3 million units in 2024.

Development of production of passenger cars and light commercial vehicles
Challenging economic conditions and a lack of predictability in terms of funding structures curbed purchases of cars and light commercial vehicles weighing less than 6 metric tons industry-wide in 2024. Production figures fell as a result, although some new high-volume models were still in the start-up phase. At the same time, certain models were discontinued by traditional manufacturers. Newer brands from Asia and North America benefited from this the most.

According to preliminary data, Europe and North America recorded a 5% and 1% decline, respectively, in the production of passenger cars and light commercial vehicles in the reporting year. China increased its production by 4% in 2024.

According to preliminary figures, global production for 2024 fell by 1% to 89.5 million units.

Development of production of medium and heavy commercial vehicles
The production of medium and heavy commercial vehicles weighing more than 6 metric tons fell year-on-year in our core European market in the reporting period due to the weak economic environment, high inflation and high energy costs. Preliminary figures indicate that production volumes for medium and heavy commercial vehicles fell by 22% year-on-year.

In our other core market of North America, high financing costs and a fall in demand in the reporting year led to a 4% decline in production figures compared with the high level seen in 2023.

Development of replacement-tire markets for passenger cars and light commercial vehicles
After a weak start to 2024, sales in the replacement business improved in Europe from April onward. Demand continued to pick up over the course of the year, partly due to tire dealers reducing their inventories in 2023. Following a strong first quarter, the market in North America performed moderately overall. By contrast, the replacement-tire market in China remained buoyant after a strong year in 2023. The markets trended further upward in the second half of the year – boosted in particular by strong business in Europe on the back of demand for winter tires.

Sales volumes of replacement tires for passenger cars and light commercial vehicles weighing less than 6 metric tons rose by 7% in Europe (excluding Russia) for 2024 as a whole. In North America, demand in the year under review was slightly higher than in the previous year, increasing by 2%. Positive growth was also recorded in China, with a rise of 1%. According to preliminary data, global sales volumes of replacement tires for passenger cars and light commercial vehicles rose by 3% in the reporting year.

Development of replacement-tire markets for medium and heavy commercial vehicles
In our core market of Europe (excluding Russia), preliminary data for 2024 indicates that demand for replacement tires for medium and heavy commercial vehicles weighing more than 6 metric tons was on a par with the previous year. In North America, however, demand rose by 7% year-on-year.

Development of industrial production
In addition to vehicle production and the replacement business for the automotive industry, the development of various other industries is crucial to the success of our ContiTech group sector. ContiTech products are used in particular in equipment, machinery and vehicles for railway transport, mining, agriculture and other key industries. As well as the general development of gross domestic product, the development of industrial production is therefore regarded as an important indicator for ContiTech's business with industrial customers.

In the reporting period, industrial production in the eurozone continued to be affected by increased costs and the weak economic environment, sliding year-on-year as a whole. In the USA as well, industrial production was down slightly on the prior-year level. China, on the other hand, recorded growth in industrial production compared with the previous year, influenced by economic stimulus packages and other factors.

Development of Raw Materials Markets

Raw materials markets remained largely stable in the reporting year due to a continued improvement in availability. The normalization of global supply chains was also reflected in less volatile price developments, particularly for metals and crude oil. Nevertheless, there were significant price increases for individual raw materials such as precious metals, natural rubber and butadiene. This was attributable to ongoing geopolitical risks and a lack of availability.

Carbon steel and stainless steel are input materials for many of the mechanical components such as die-cast parts integrated by Continental into its products. Steel wire is used in particular in tire production as steel cord but also in conveyor belts and timing belts to increase tensile strength. Aluminum is used in particular for die-cast parts and stamped and bent components, while copper is used in particular in electric motors, mechatronic components and printed circuit boards.

Changes to vehicle production, the tire-replacement business and industrial production in 2024 (compared with 2023)

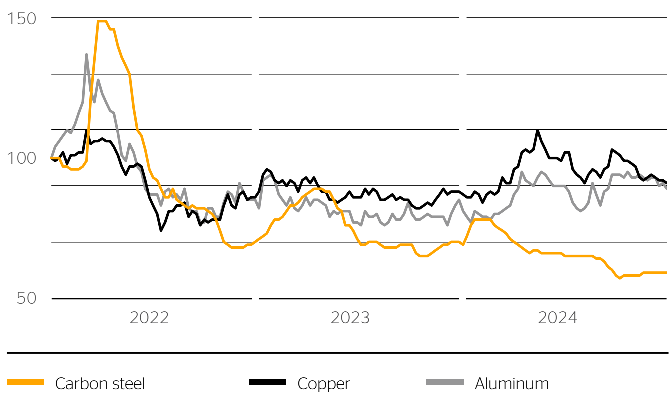
Passenger cars and light commercial vehicles	Vehicle production	Tire-replacement business
Europe	–5%	7%
North America	–1%	2%
China	4%	1%
Worldwide	**–1%**	**3%**

Medium and heavy commercial vehicles	Vehicle production	Tire-replacement business
Europe	–22%	0%
North America	–4%	7%

	Industrial production
Eurozone	–2.9%
USA	–0.3%
China	5.4%

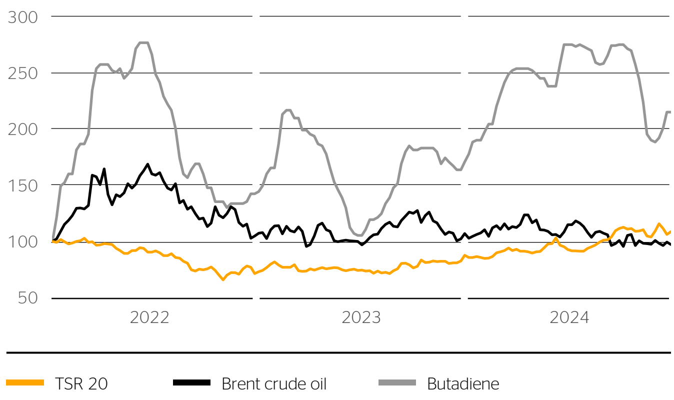
Preliminary data.
Sources:
Vehicle production: S&P Global (Europe with Western, Central and Eastern Europe incl. Russia and Türkiye).
Tire-replacement business: LMC International Ltd. (Europe with Western, Central and Eastern Europe (excluding Russia) and Türkiye).
Industrial production: Bloomberg.

Steel, copper and aluminum Indexed to January 1, 2022



Sources:
Carbon steel: hot-rolled coil Northern Europe ex works, from Kallanish Commodities (€ per metric ton).
Copper and aluminum: rolling three-month contracts from the London Metal Exchange (US $ per metric ton).

TSR 20, crude oil and butadiene Indexed to January 1, 2022



Sources:
TSR 20: rolling one-month contracts from the Singapore Exchange (US $ cents per kg).
Crude oil: European Brent spot price from Bloomberg (US $ per barrel).
Butadiene: South Korea spot price (FOB) from PolymerUpdate.com (US $ per metric ton).

Prices for carbon steel in euros, which had already fallen in the previous year, decreased by approximately 12% on average in 2024. The price of copper in US dollars, which had also fallen slightly in the previous year, increased by 9% on average. The average price of aluminum in US dollars was up 8% in 2024.

Precious metals such as silver and gold are used by Continental and by our suppliers to coat components. The average price of gold in US dollars was up 23% in 2024, while that of silver was up 21%.

The downward price trend of the previous year for natural rubber did not continue. The average price of natural rubber TSR 20 in US dollars was up 27% year-on-year in 2024.

Crude oil is the most important basic building block for synthetic-rubber input materials such as butadiene and styrene as well as for carbon black, various other chemicals, and plastics. The price of crude oil continued to stabilize in 2024 compared with the previous year. The annual average price of Brent crude oil in US dollars fell slightly by 2% year-on-year.

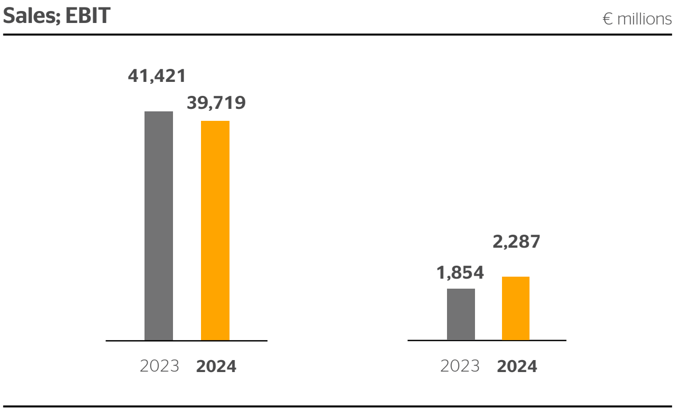
Despite the lower price of crude oil, prices for various input materials for synthetic rubber rose in 2024, and for butadiene in particular. The average prices in US dollars for butadiene and styrene rose by 47% and 5%, respectively.

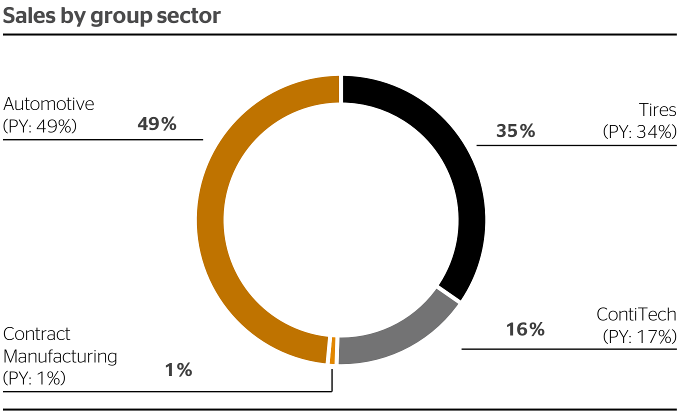
Plastic resins, as technical thermoplastics, are required by Continental and our suppliers in particular for the manufacture of housing parts in the Automotive group sector and for various other plastic parts in the ContiTech group sector. The average price of resins in US dollars was down 2% in 2024.

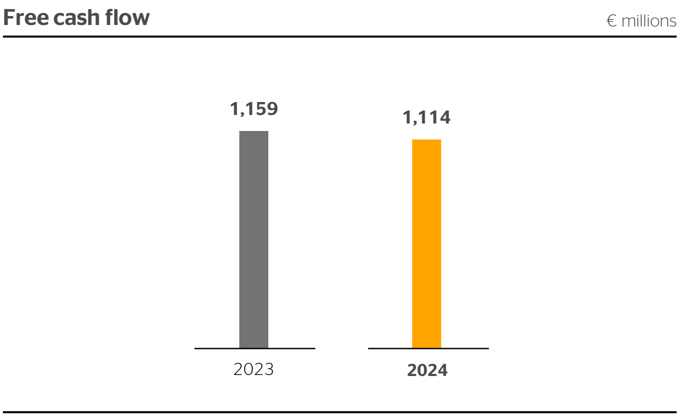
Continental uses natural and synthetic rubber in large quantities for the manufacture of tires and industrial rubber products. It also uses relatively large quantities of carbon black as a filler material and of steel cord and nylon cord as structural materials. Due to the high volumes and direct purchasing of raw materials, their price development has a significant influence on the earnings of the Tires and ContiTech group sectors.

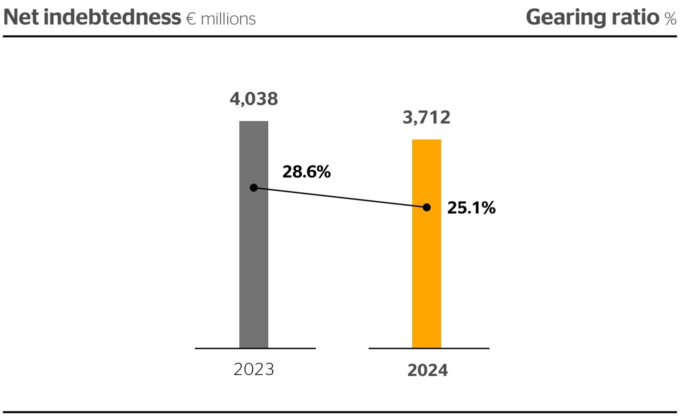
Earnings, Financial and Net Assets Position

› Sales down 4.1% to €39.7 billion
› Organic sales down 2.6%
› Adjusted EBIT margin up to 6.8%









Earnings Position

- › Sales down 4.1%
- › Sales down 2.6% before changes in the scope of consolidation and exchange-rate effects
- › Adjusted EBIT up 6.6%

Continental Group in € millions	**2024**	2023	Δ in %
Sales	39,719	41,421	-4.1
EBITDA	4,498	4,079	10.3
in % of sales	11.3	9.8	
EBIT	2,287	1,854	23.4
in % of sales	5.8	4.5	
Net income attributable to the shareholders of the parent	1,168	1,156	1.0
Basic earnings per share in €	5.84	5.78	1.0
Diluted earnings per share in €	5.84	5.78	1.0
Research and development expenses (net)	2,888	2,896	-0.3
in % of sales	7.3	7.0	
Depreciation and amortization[1]	2,211	2,225	-0.6
thereof impairment[2]	37	57	-35.0
Capital expenditure[3]	2,204	2,437	-9.5
in % of sales	5.5	5.9	
Operating assets as at December 31	19,365	19,550	-0.9
Operating assets (average)	19,980	20,714	-3.5
ROCE in %	11.4	8.9	
Number of employees as at December 31[4]	190,159	202,763	-6.2
Adjusted sales[5]	39,678	41,373	-4.1
Adjusted operating result (adjusted EBIT)[6]	2,694	2,526	6.6
in % of adjusted sales	6.8	6.1	

1 Excluding impairment on financial investments.
2 Impairment also includes necessary reversals of impairment losses.
3 Capital expenditure on property, plant and equipment, and software.
4 Excluding trainees.
5 Before changes in the scope of consolidation.
6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Business and sales performance
Consolidated sales fell by €1,702 million or 4.1% year-on-year in 2024 to €39,719 million (PY: €41,421 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 2.6%. Exchange-rate effects dented sales performance by €610 million, while changes in the scope of consolidation had only a negligible impact.

Faced with a continued challenging market environment and declining vehicle production, especially in Europe, the Automotive group sector recorded a drop in sales. This decline was mitigated by targeted price adjustments made to offset inflation-related cost increases. Sales in the Tires group sector contracted slightly on the back of negative exchange-rate effects and weak demand in the passenger-car original-equipment business, but were propped up by growth in the global tire-replacement markets and continued positive effects from the product mix. The downtrend in the automotive original-equipment business in Europe and North America combined with persistently weak markets, particularly in the industrial segment, likewise depressed sales in ContiTech. Contract Manufacturing reduced its sales in accordance with the contractually agreed procedure between Continental and the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024).

The regional distribution of sales in 2024 was as follows:

Sales by region in %	2024	2023
Germany	20	19
Europe excluding Germany	30	29
North America	26	27
Asia-Pacific	21	21
Other countries	4	4

Adjusted EBIT
Adjusted EBIT for the Continental Group increased by €168 million or 6.6% year-on-year in 2024 to €2,694 million (PY: €2,526 million), corresponding to 6.8% (PY: 6.1%) of adjusted sales.

EBIT
EBIT was up by €433 million year-on-year in 2024 to €2,287 million (PY: €1,854 million), an increase of 23.4%. The return on sales improved to 5.8% (PY: 4.5%). The cost of sales fell by €1,694 million to €30,918 million (PY: €32,613 million), primarily due to lower sales volumes, lower energy prices, lower material costs – particularly in the first half of the year – and measures to reduce costs and improve productivity. Higher wages and salaries had an offsetting effect. EBIT in the previous year was heavily encumbered by increased restructuring expenses.

The amortization of intangible assets from purchase price allocation (PPA) reduced EBIT by €109 million in the reporting year (PY: €118 million).

The ROCE was 11.4% (PY: 8.9%).

Special effects in 2024
Total consolidated expense from special effects in 2024 amounted to €300 million. Automotive accounted for €170 million of this, Tires for €27 million, ContiTech for €85 million and the holding for €27 million. By contrast, special effects in Contract Manufacturing resulted in income of €8 million.

Impairment on property, plant and equipment led to expenses totaling €30 million (Automotive €29 million; ContiTech €1 million). These figures do not include impairment and reversals of impairment losses that arose in connection with restructuring.

The Automotive group sector incurred restructuring expenses of €201 million, mainly in the area of research and development expenses. These included impairment on property, plant and equipment in the amount of €2 million. Contrary to the original estimates of the effects from restructuring plans, agreements were reached over the course of the restructuring measures that resulted in reversals of restructuring provisions in the amount of €121 million.

The Tires group sector incurred restructuring expenses of €4 million, including impairment on property, plant and equipment in the amount of €2 million. In addition, the reversal of restructuring provisions resulted in income of €9 million.

The ContiTech group sector incurred restructuring expenses of €32 million, including impairment on property, plant and equipment in the amount of €3 million. In addition, the reversal of restructuring provisions resulted in income of €20 million.

In the Contract Manufacturing group sector, the reversal of restructuring provisions resulted in income of €8 million.

Restructuring-related expenses resulted in an expense totaling €45 million (Automotive €22 million; Tires €21 million; ContiTech €2 million).

Severance payments resulted in a negative special effect totaling €79 million (Automotive €29 million; Tires €10 million; ContiTech €41 million). The reversal of provisions additionally generated income of €1 million at the level of the holding.

Loss of control over a participation and the subsequent change in consolidation method from the full consolidation to the equity method resulted in income of €19 million in the Automotive group sector. In addition, expenses of €12 million were incurred from the sale of certain operations in the Autonomous Mobility business area. This transaction also involved incidental sales costs of €4 million.

The sale of some operations in the Replacement EMEA business area resulted in expenses of €3 million. The Automotive group sector incurred expenses of €7 million in connection with the plans to make the User Experience business area organizationally independent.

It also incurred additional expenses of €5 million from the valuation of a participating interest.

A company acquisition in the Tires group sector resulted in income of €1 million.

In the ContiTech group sector, the Original Equipment Solutions business area will be made organizationally independent. This resulted in expenses of €29 million.

The planned spin-off of the Automotive and Contract Manufacturing group sectors led to expenses of €28 million for the holding.

Special effects in 2023

Total consolidated expense from special effects in 2023 amounted to €551 million. Automotive accounted for €387 million of this, Tires for €138 million, ContiTech for €21 million, Contract Manufacturing for €3 million, and the holding for €2 million.

Impairment on property, plant and equipment led to expenses totaling €41 million (Automotive €13 million; Tires €27 million; ContiTech €1 million). These figures do not include impairment and reversals of impairment losses that arose in connection with restructuring.

The Automotive group sector incurred restructuring expenses of €345 million. In addition, the reversal of restructuring provisions resulted in income of €34 million.

The Tires group sector incurred restructuring expenses of €18 million, including impairment on property, plant and equipment in the amount of €17 million. There was also income in connection with restructuring totaling €36 million, €2 million of which was attributable to a reversal of impairment losses on property, plant and equipment.

The ContiTech group sector incurred restructuring expenses of €11 million. In addition, the reversal of restructuring provisions resulted in income of €10 million.

In the Contract Manufacturing group sector, there were restructuring expenses of €3 million. In addition, the reversal of restructuring provisions resulted in income of €1 million.

Restructuring-related expenses resulted in an expense totaling €47 million (Automotive €16 million; Tires €29 million; ContiTech €2 million).

Severance payments resulted in a negative special effect totaling €58 million (Automotive €23 million; Tires €16 million; ContiTech €17 million; holding €2 million).

In the Automotive group sector, a 50% share in the equity-accounted associate SAS Autosystemtechnik GmbH & Co. KG, Karlsruhe, Germany, was sold in 2020, resulting in subsequent income totaling €2 million.

In the Tires group sector, the sale of an equity-accounted investee resulted in an expense of €1 million.

The sale of all Russian operations in the Automotive and Tires group sectors and some operations in the ContiTech group sector in Russia resulted in expenses totaling €98 million (Automotive €27 million; Tires €72 million) and income of €6 million for ContiTech.

Loss allowances on accounts receivable, write-downs on inventories, and debt waivers in connection with the discontinuation of Russian operations also led to expenses totaling €14 million (Tires €12 million; ContiTech €3 million).

In the ContiTech group sector, the Original Equipment Solutions business area will be made organizationally independent. This resulted in expenses of €4 million.

Procurement

The availability of semiconductors and electronic components – essential semi-finished products for the Automotive group sector – improved significantly in 2024 compared with the previous year. After trending downward in the first six months, the prices for numerous raw materials spiked again in the second half of 2024, once again posing a challenge for the Tires and ContiTech group sectors.

Reconciliation of EBIT to net income

€ millions	**2024**	2023	Δ in %
Automotive	229	-57	498.5
Tires	1,870	1,743	7.3
ContiTech	261	380	-31.4
Contract Manufacturing	15	5	195.8
Other/Holding/Consolidation	-88	-217	59.2
EBIT	**2,287**	**1,854**	**23.4**
Financial result	-398	-236	-69.0
Earnings before tax	**1,888**	**1,618**	**16.7**
Income tax expense	-689	-424	-62.4
Net income	**1,200**	**1,194**	**0.5**
Non-controlling interests	-32	-37	15.0
Net income attributable to the shareholders of the parent	**1,168**	**1,156**	**1.0**

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2024

€ millions	**Automotive**	**Tires**	**ContiTech**	**Contract Manufacturing**	**Other/ Holding/ Consolidation**	**Continental Group**
Sales	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**
Changes in the scope of consolidation[1]	–	–	-40	–	–	-40
Adjusted sales	**19,416**	**13,861**	**6,345**	**239**	**-183**	**39,678**
EBITDA	**1,323**	**2,663**	**562**	**26**	**-76**	**4,498**
Depreciation and amortization[2]	-1,094	-792	-301	-11	-12	-2,211
EBIT	**229**	**1,870**	**261**	**15**	**-88**	**2,287**
Amortization of intangible assets from purchase price allocation (PPA)	55	6	48	–	–	109
Changes in the scope of consolidation[1]	–	-1	-1	–	–	-1
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	29	0	1	0	–	30
Restructuring[4]	80	-5	11	-8	–	78
Restructuring-related expenses	22	21	2	0	–	45
Severance payments	29	10	41	0	-1	79
Gains and losses from disposals of companies and business operations[5]	-7	3	–	–	–	-4
Other[6]	16	-1	29	–	28	72
Adjusted operating result (adjusted EBIT)	**454**	**1,902**	**393**	**7**	**-62**	**2,694**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €7 million (Automotive €2 million; Tires €2 million, ContiTech €3 million).
5 Includes expenses of €12 million in connection with the sale of certain operations in the Autonomous Mobility business area and income of €19 million due to loss of control over a participation and the subsequent change in consolidation method from the full consolidation to the equity method in the Automotive group sector.
6 Mainly includes expenses in connection with the planned spin-off of the Automotive and Contract Manufacturing group sectors and the plans to make the User Experience and Original Equipment Solutions business areas organizationally independent.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Changes in the scope of consolidation[1]	-9	-38	0	–	–	-47
Adjusted sales	**20,287**	**13,920**	**6,841**	**512**	**-187**	**41,373**
EBITDA	**982**	**2,586**	**693**	**29**	**-211**	**4,079**
Depreciation and amortization[2]	-1,039	-843	-313	-24	-6	-2,225
EBIT	**-57**	**1,743**	**380**	**5**	**-217**	**1,854**
Amortization of intangible assets from purchase price allocation (PPA)	58	6	53	–	–	118
Changes in the scope of consolidation[1]	13	-10	1	–	0	3
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	13	27	1	0	–	41
Restructuring[4]	311	-18	1	2	–	295
Restructuring-related expenses	16	29	2	–	–	47
Severance payments	23	16	17	0	2	58
Gains and losses from disposals of companies and business operations	25	73	-6	0	–	91
Other[5]	–	12	6	–	–	18
Adjusted operating result (adjusted EBIT)	**401**	**1,877**	**455**	**8**	**-214**	**2,526**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €18 million (Tires €17 million; ContiTech €0 million) and a reversal of impairment losses of €2 million in the Tires group sector.
5 Mainly includes loss allowances on accounts receivable, write-downs on inventories, as well as debt waivers from the sale of all Russian operations in the Tires group sector and some operations in the ContiTech group sector in Russia.

Research and development

Research and development expenses (net) decreased by €8 million or 0.3% year-on-year to €2,888 million (PY: €2,896 million) and amounted to 7.3% of sales (PY: 7.0%), driven by the corresponding decline in consolidated sales. The figure for fiscal 2024 includes major restructuring expenses.

In the Automotive group sector, costs in connection with initial product development projects in the original-equipment business are capitalized. Costs are capitalized as at the time at which we are named as a supplier and have successfully achieved a specific pre-release stage. Capitalization ends with the approval for unlimited volume production. The costs of customer-specific applications, pre-production prototypes and testing for products already being sold do not qualify as development expenditure that may be recognized as an intangible asset. Capitalized development expenses are amortized on a straight-line basis over a useful life of three to seven years and recognized in the cost of sales. In the opinion of the Continental Group, the assumed useful life reflects the period for which an economic benefit is likely to be derived from the corresponding development projects. Of the development costs incurred in 2024, including development expenses for internally developed software, €16 million (PY: €18 million) in the Automotive group sector qualified for recognition as an asset.

As in the previous year, the requirements for the capitalization of development activities were not met in the Tires, ContiTech or Contract Manufacturing group sectors.

This results in a capitalization ratio of 0.6% (PY: 0.6%) for the Continental Group.

Depreciation and amortization

Depreciation and amortization decreased by €14 million to €2,211 million (PY: €2,225 million), equivalent to 5.6% of sales (PY: 5.4%). It included impairment totaling €37 million in 2024 (PY: €57 million).

Financial result

The negative financial result increased by €163 million year-on-year to €398 million in 2024 (PY: €236 million), mainly due to the sum of effects from currency translation, changes in the fair value of derivative instruments and other valuation effects.

Overall, interest income remained at the previous year's level and amounted to €103 million.

Interest expense totaled €449 million in 2024 and was thus €29 million higher than the previous year's figure of €419 million. Interest expense from long-term employee benefits and expected income from long-term employee benefits and from pension funds amounted to a net expense of €90 million in the reporting year (PY: €85 million). These interest effects do not include the interest income from the plan assets of the pension contribution funds or the interest expense from the defined benefit obligations of the pension contribution funds. Interest expense, resulting mainly from bank borrowings, capital market transactions and other financing instruments, was €359 million (PY: €335 million). Interest expense on lease liabilities accounted for €31 million of this (PY: €28 million). The bonds issued by Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, resulted in expenses of €111 million (PY: €97 million). Interest expense in connection with the utilization of the syndicated loan totaled €32 million (PY: €19 million).

Effects from currency translation resulted in a negative contribution to earnings of €2 million in the reporting year (PY: positive contribution to earnings of €79 million). Effects from changes in the fair value of derivative instruments, and other valuation effects resulted in expenses of €51 million (PY: income of €1 million). Other valuation effects accounted for €15 million of this (PY: income of €1 million). Taking into account the sum of the effects from currency translation and changes in the fair value of derivative instruments, earnings in 2024 were negatively impacted by €37 million (PY: positively impacted by €79 million). This year-on-year trend was primarily attributable to the development of the Chinese renminbi in relation to the euro.

Income tax expense

Income tax expense in fiscal 2024 amounted to €689 million (PY: €424 million). The tax rate was 36.5%, compared with 26.2% in the previous year.

The year under review was positively impacted by taxes for previous years and – like in 2023 – foreign tax rate differences as well as incentives and tax holidays. However, the tax rate was negatively impacted by non-cash allowances on deferred tax assets totaling €311 million (PY: €64 million), of which €258 million (PY: €42 million) was for previous years. Furthermore, as in the previous year, the tax rate was negatively affected by non-deductible expenses and non-imputable foreign withholding taxes of €291 million (PY: €191 million). The increase compared with the previous year is due, among other things, to non-deductible operating expenses in connection with dividend distributions from subsidiaries, which were made as a preparatory measure for the planned spin-off of the Automotive and Contract Manufacturing group sectors. In the year under review, additional tax burdens were incurred from local income taxes with a different tax base and minimum tax regulations.

Net income attributable to the shareholders of the parent

Net income attributable to the shareholders of the parent increased by €11 million in 2024 to €1,168 million (PY: €1,156 million). Basic earnings per share amounted to €5.84 (PY: €5.78), the same amount as diluted earnings per share.

Employees

The number of employees in the Continental Group as at December 31, 2024, was 190,159, down 12,604 from 202,763 in the previous year.

The number of employees in the Automotive group sector decreased by 9,832, mainly due to transformation projects and adjustments to order volumes.

The number of employees in the Tires group sector increased by 711, primarily due to adjustments to demand-driven production.

In the ContiTech group sector, adjustments to production volumes and the implementation of structural changes led to a reduction in the number of employees by 2,738.

The number of employees in the Contract Manufacturing group sector fell by 706 to 772 (PY: 1,478).

Employees by region in %	**2024**	2023
Germany	21	22
Europe excluding Germany	35	34
North America	18	19
Asia-Pacific	21	20
Other countries	5	4

Financial Position

- Free cash flow at €1.1 billion
- Cash outflow arising from investing activities at €1.8 billion
- Net indebtedness at €3.7 billion

Reconciliation of cash flow
At €2,934 million in 2024, the cash inflow arising from operating activities was €393 million lower than the previous year's figure (PY: €3,328 million) and corresponded to 7.4% of sales (PY: 8.0%). The main reason for this was the payment of €476 million to buy back shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH). The addition to plan assets in 2022, which was netted with the associated obligations to employees in accordance with IAS 19, *Employee Benefits*, was offset by a liability that was paid out in the first half of 2024 (for further details, please refer to Notes 29 and 34 to the consolidated financial statements in the 2022 annual report). As changes in employee benefits are allocated to cash flow arising from operating activities in the statement of cash flows, the payment of the liability was also allocated to cash flow arising from operating activities and presented in changes to other assets and liabilities and other non-cash effects. Cash inflow arising from operating activities was additionally impacted by payments for restructuring. The increase in EBIT of €433 million to €2,287 million (PY: €1,854 million) coupled with the cash-effective decline in working capital had an offsetting effect.

The cash-effective decline in working capital led to a cash inflow of €223 million (PY: cash outflow of €264 million). This cash inflow was attributable to two factors: a decrease in inventories of €131 million (PY: €378 million) and a reduction in operating receivables of €460 million (PY: €51 million). These developments can be explained by the positive effects of working capital management and the overall downtrend in sales. The decrease in operating liabilities of €368 million (PY: €693 million) had an offsetting effect.

Interest payments increased by €67 million to €346 million (PY: €279 million). Income tax payments rose by €59 million to €785 million (PY: €725 million).

Cash flow arising from investing activities amounted to an outflow of €1,821 million (PY: €2,169 million). Capital expenditure on property, plant and equipment, and software was down €187 million from €2,124 million to €1,938 million before the capitalization of borrowing costs and right-of-use assets from leases.

The net amount from the acquisition and disposal of companies and business operations led to a cash inflow of €61 million in 2024 (PY: cash outflow of €133 million). This cash inflow was mainly attributable to the sale of some operations of the Autonomous Mobility business area in the Automotive group sector.

These effects resulted in free cash flow of €1,114 million (PY: €1,159 million) for fiscal 2024, corresponding to a year-on-year decrease of €45 million.

Capital expenditure (additions)
Capital expenditure for property, plant and equipment, and software amounted to €2,204 million in 2024 (PY: €2,437 million). The Automotive group sector in particular contributed to the decrease of €233 million. The capital expenditure ratio was 5.5% (PY: 5.9%).

Financing and indebtedness
Gross indebtedness amounted to €6,909 million as at the end of 2024 (PY: €7,170 million), down €261 million on the previous year's level.

Based on quarter-end values, 68.5% (PY: 74.4%) of gross indebtedness after hedging measures had fixed interest rates on average over the year.

The carrying amount of the bonds decreased negligibly from €3,969 million in the previous year to €3,861 million as at the end of fiscal 2024. Under the Debt Issuance Programme (DIP), Continental AG issued one listed euro bond on October 1, 2024, with an issue volume of €600 million. The issue price of this bond, which has a term of five years and a fixed interest rate of 3.500% p.a., was 99.946%. The €625-million euro bond of Conti-Gummi Finance B.V., Maastricht, Netherlands, maturing on September 25, 2024, was redeemed in the second half of the year at a rate of 100.000%. This bond had an interest rate of 1.125% p.a. and a term of four years and three months. In addition, on October 16, 2024, the private placement issued by Continental AG in October 2019 was redeemed at a rate of 100.000%. The private placement had a nominal volume of €100 million, a term of five years and a fixed interest rate of 0.231% p.a.

Bank loans and overdrafts amounted to €1,042 million (PY: €1,386 million) as at December 31, 2024, and were therefore €343 million below the previous year's level.

The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4,000 million and has an original term of five years. The margin will also depend on the Continental Group's sustainability performance. If the Continental Group achieves the performance improvements in sustainability as set out in detail in the loan agreement, this will reduce the margin; non-achievement will result in a margin increase. Continental has exercised two options, each extending the term of the loan by one year. This means that the financing commitment of the banks is now available until December 2026. This revolving loan had not been utilized as at December 31, 2024 (PY: €316 million utilized by Continental Rubber of America, Corp., Wilmington, Delaware, USA).

Other indebtedness increased by €190 million to €2,005 million (PY: €1,815 million) as at the end of 2024, primarily attributable to a higher issue volume of commercial paper. This resulted in liabilities totaling €335 million (PY: €16 million). As at the end of 2024, the utilization of sale-of-receivables programs was down slightly on the previous year at €299 million (PY: €321 million). Three sale-of-receivables programs with a financing volume of €400 million were used within the Continental Group as at the end of 2024, the same as in the previous year.

Cash and cash equivalents, derivative instruments and interest-bearing investments were up by €64 million at €3,197 million (PY: €3,132 million).

Net indebtedness decreased by €326 million compared with the end of 2023 to €3,712 million (PY: €4,038 million). The gearing ratio improved year-on-year to 25.1% (PY: 28.6%).

As at December 31, 2024, the Continental Group had liquidity reserves totaling €7,931 million (PY: €7,492 million), consisting of cash and cash equivalents of €2,966 million (PY: €2,923 million) and committed, unutilized credit lines of €4,966 million (PY: €4,569 million). As at December 31, 2024, a total of €2,720 million (PY: €2,683 million) of the cash and cash equivalents specified above were unrestricted. The assessment of any restrictions related to cash and cash equivalents is made on each respective reporting date.

Reconciliation of net indebtedness

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Long-term indebtedness[1]	4,112	4,528
Short-term indebtedness[1]	2,797	2,642
Long-term derivative instruments and interest-bearing investments	-81	-89
Short-term derivative instruments and interest-bearing investments	-151	-120
Cash and cash equivalents	-2,966	-2,923
Net indebtedness	**3,712**	**4,038**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

Reconciliation of change in net indebtedness

€ millions	**2024**	2023
Net indebtedness at the beginning of the reporting period	**4,038**	**4,499**
Cash flow arising from operating activities	2,934	3,328
Cash flow arising from investing activities	-1,821	-2,169
Cash flow before financing activities (free cash flow)	**1,114**	**1,159**
Dividends paid	-440	-300
Dividends paid to and cash changes from equity transactions with non-controlling interests	-25	-24
Non-cash changes	-319	-312
Other	0	-1
Exchange-rate effects	-3	-60
Change in net indebtedness	**326**	**462**
Net indebtedness at the end of the reporting period	**3,712**	**4,038**

Net Assets Position

- **Equity at €14.8 billion**
- **Equity ratio at 40.0%**
- **Gearing ratio at 25.1%**

Total assets
At €36,966 million (PY: €37,753 million), total assets as at December 31, 2024, were €787 million lower than on the same date in the previous year.

Non-current assets
Non-current assets decreased by €149 million year-on-year to €19,016 million (PY: €19,165 million). Goodwill declined by €23 million to €3,165 million (PY: €3,187 million), while other intangible assets fell by €201 million to €619 million (PY: €820 million). Property, plant and equipment increased by €76 million to €11,798 million (PY: €11,722 million). Deferred tax assets were up €12 million at €2,523 million (PY: €2,512 million).

Current assets
Current assets decreased by €637 million to €17,950 million (PY: €18,588 million). Inventories fell by €163 million in the reporting year to €6,113 million (PY: €6,276 million). Trade accounts receivable declined by €465 million to €7,104 million (PY: €7,569 million) due to the positive effects of working capital management and the overall downtrend in sales. At €2,966 million, cash and cash equivalents were up €42 million from €2,923 million on the same date in the previous year.

Equity
Total equity (including non-controlling interests) was €673 million higher than in the previous year at €14,798 million (PY: €14,125 million). Other comprehensive income fell by €43 million to -€1,801 million (PY: -€1,759 million). The gearing ratio changed from 28.6% to 25.1%. The equity ratio increased to 40.0% (PY: 37.4%).

Non-current liabilities
At €7,899 million, non-current liabilities were down €595 million from €8,494 million in the previous year. Long-term provisions for other risks and obligations were lower by €182 million at €522 million (PY: €703 million). This was primarily due to reversals and utilizations of restructuring provisions. Long-term indebtedness decreased by €416 million to €4,112 million (PY: €4,528 million).

Current liabilities
At €14,269 million, current liabilities were down €865 million from €15,134 million in the previous year. This was mainly attributable to a reduction in trade accounts payable of €404 million to €6,471 million (PY: €6,875 million) as well as a decrease in short-term other financial liabilities of €421 million to €1,249 million (PY: €1,670 million).

Operating assets
Operating assets fell by €185 million year-on-year to €19,365 million as at December 31, 2024 (PY: €19,550 million).

Working capital was down €203 million at €7,005 million (PY: €7,208 million), owing primarily to the decline in both operating receivables of €444 million to €7,362 million (PY: €7,806 million) and inventories of €163 million to €6,113 million (PY: €6,276 million). This was offset by operating liabilities, which likewise fell by €404 million to €6,471 million (PY: €6,875 million).

Non-current operating assets were down €152 million year-on-year at €16,170 million (PY: €16,322 million). Goodwill fell by €23 million to €3,165 million (PY: €3,187 million), driven mainly by disposals from the scope of consolidation in the amount of €44 million and offset in turn by exchange-rate effects in the amount of €21 million. Property, plant and equipment rose by €76 million to €11,798 million (PY: €11,722 million). Other intangible assets fell by €201 million to €619 million (PY: €820 million). Amortization of intangible assets from purchase price allocation (PPA) in the amount of €109 million (PY: €118 million) reduced the value of intangible assets.

In the Automotive group sector, operating assets declined by €91 million due to the sale of certain operations in the Autonomous Mobility business area. Offsetting this, operating assets increased by €23 million after the consolidation method for a company was changed from the full consolidation to the equity method following loss of control.

In the Tires group sector, operating assets were down €10 million due to the sale of some operations in the Replacement EMEA business area. Conversely, a share deal increased operating assets by €3 million.

In the ContiTech group sector, the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in 2023 reduced operating assets by €1 million.

Other changes in the scope of consolidation did not result in any notable additions to or disposals of operating assets at corporate level.

Exchange-rate effects increased the Continental Group's total operating assets by €58 million in the reporting year (PY: decrease of €301 million).

Average operating assets fell by €734 million year-on-year to €19,980 million (PY: €20,714 million).

Consolidated statement of financial position

Assets in € millions	Dec. 31, 2024	Dec. 31, 2023
Goodwill	3,165	3,187
Other intangible assets	619	820
Property, plant and equipment	11,798	11,722
Investments in equity-accounted investees	326	299
Long-term miscellaneous assets	3,108	3,137
Non-current assets	**19,016**	**19,165**
Inventories	6,113	6,276
Trade accounts receivable	7,104	7,569
Short-term miscellaneous assets	1,768	1,819
Cash and cash equivalents	2,966	2,923
Current assets	**17,950**	**18,588**
Total assets	**36,966**	**37,753**

Equity and liabilities in € millions	Dec. 31, 2024	Dec. 31, 2023
Total equity	**14,798**	**14,125**
Non-current liabilities[1]	**7,899**	**8,494**
Trade accounts payable	6,471	6,875
Short-term other provisions and liabilities[1]	7,798	8,259
Current liabilities[1]	**14,269**	**15,134**
Total equity and liabilities	**36,966**	**37,753**
Net indebtedness	**3,712**	**4,038**
Gearing ratio in %	**25.1**	**28.6**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

Reconciliation to operating assets in 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**14,692**	**10,824**	**4,419**	**120**	**6,910**	**36,966**
Cash and cash equivalents	–	–	–	–	2,966	2,966
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	231	231
Other financial assets	39	36	11	0	21	106
Less financial assets	**39**	**36**	**11**	**0**	**3,218**	**3,303**
Less other non-operating assets	**-145**	**-7**	**7**	**0**	**519**	**375**
Deferred tax assets	–	–	–	–	2,523	2,523
Income tax receivables	–	–	–	–	285	285
Less income tax assets	**–**	**–**	**–**	**–**	**2,808**	**2,808**
Segment assets	**14,798**	**10,796**	**4,401**	**120**	**365**	**30,480**
Total liabilities and provisions	**7,866**	**4,138**	**1,893**	**94**	**8,177**	**22,168**
Short- and long-term indebtedness	–	–	–	–	6,909	6,909
Other financial liabilities	–	–	–	–	20	20
Less financial liabilities	**–**	**–**	**–**	**–**	**6,929**	**6,929**
Deferred tax liabilities	–	–	–	–	97	97
Income tax payables	–	–	–	–	531	531
Less income tax liabilities	**–**	**–**	**–**	**–**	**628**	**628**
Less other non-operating liabilities	**1,670**	**718**	**549**	**28**	**531**	**3,496**
Segment liabilities	**6,195**	**3,420**	**1,344**	**66**	**89**	**11,115**
Operating assets	**8,603**	**7,376**	**3,057**	**54**	**276**	**19,365**

Reconciliation to operating assets in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**15,519**	**10,314**	**4,582**	**537**	**6,800**	**37,753**
Cash and cash equivalents	–	–	–	–	2,923	2,923
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	209	209
Other financial assets	48	33	19	0	19	120
Less financial assets	**48**	**33**	**19**	**0**	**3,151**	**3,252**
Less other non-operating assets	**-138**	**5**	**7**	**0**	**522**	**396**
Deferred tax assets	–	–	–	–	2,512	2,512
Income tax receivables	–	–	–	–	305	305
Less income tax assets	**–**	**–**	**–**	**–**	**2,817**	**2,817**
Segment assets	**15,609**	**10,277**	**4,557**	**536**	**310**	**31,288**
Total liabilities and provisions	**8,482**	**3,902**	**2,008**	**178**	**9,058**	**23,628**
Short- and long-term indebtedness	–	–	–	–	7,170	7,170
Other financial liabilities	–	–	–	–	510	510
Less financial liabilities	**–**	**–**	**–**	**–**	**7,680**	**7,680**
Deferred tax liabilities	–	–	–	–	72	72
Income tax payables	–	–	–	–	541	541
Less income tax liabilities	**–**	**–**	**–**	**–**	**613**	**613**
Less other non-operating liabilities	**1,718**	**700**	**576**	**37**	**566**	**3,597**
Segment liabilities	**6,765**	**3,202**	**1,431**	**141**	**199**	**11,737**
Operating assets	**8,844**	**7,075**	**3,125**	**396**	**111**	**19,550**

Development of the Group Sectors

Automotive

- **Sales down 4.3%**
- **Sales down 2.6% before changes in the scope of consolidation and exchange-rate effects**
- **Adjusted EBIT up 13.2%**

Automotive in € millions	**2024**	2023	Δ in %
Sales	19,416	20,295	-4.3
EBITDA	1,323	982	34.7
in % of sales	6.8	4.8	
EBIT	229	-57	498.5
in % of sales	1.2	-0.3	
Research and development expenses (net)	2,356	2,385	-1.2
in % of sales	12.1	11.8	
Depreciation and amortization[1]	1,094	1,039	5.3
thereof impairment[2]	30	13	132.9
Capital expenditure[3]	951	1,226	-22.5
in % of sales	4.9	6.0	
Operating assets as at December 31	8,603	8,844	-2.7
Operating assets (average)	8,960	9,221	-2.8
ROCE in %	2.6	-0.6	
Number of employees as at December 31[4]	92,581	102,413	-9.6
Adjusted sales[5]	19,416	20,287	-4.3
Adjusted operating result (adjusted EBIT)[6]	454	401	13.2
in % of adjusted sales	2.3	2.0	

1 Excluding impairment on financial investments.
2 Impairment also includes necessary reversals of impairment losses.
3 Capital expenditure on property, plant and equipment, and software.
4 Excluding trainees.
5 Before changes in the scope of consolidation.
6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Structure
The Automotive group sector (49% of consolidated sales) offers technologies for safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, camera solutions for the vehicle interior as well as intelligent information and communication technology associated with the mobility services of fleet operators and commercial vehicle manufacturers. Comprehensive activities relating to vehicle connectivity, architecture and electronics, as well as high-performance computers and software solutions, round off the range of products and services. Since November 1, 2024, the group sector has been divided into four business areas:

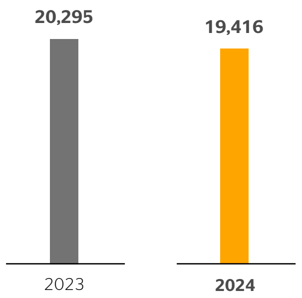
- Architecture and Network Solutions (formerly Architecture and Networking)
- Autonomous Mobility
- Safety and Motion
- User Experience

The former Software and Central Technologies business area was discontinued effective November 1, 2024, and has since been included in the Automotive group sector.

Business and sales performance
Sales volumes in the Automotive group sector were hampered by the challenging market environment, with declining vehicle production in Europe having a major impact on demand. In the Safety and Motion business area, sales figures for brake systems and airbag control units decreased, while those for wheel sensors remained stable. In the Architecture and Network Solutions business area as well as the Autonomous Mobility business area, sales volumes were up year-on-year for connectivity technologies, high-performance computers and products for the commercial vehicle sector. In the User Experience business area, sales figures for display solutions saw a significant decline, due in particular to lower installation rates and delays in new product launches.

Offsetting the volume-related sales reduction, price adjustments agreed with customers to compensate for the effects of inflation had a positive impact on sales. Sales decreased by 4.3% year-on-year to €19,416 million (PY: €20,295 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 2.6%.

Sales € millions



Adjusted EBIT
Adjusted EBIT for the Automotive group sector increased by €53 million or 13.2% year-on-year in 2024 to €454 million (PY: €401 million), corresponding to 2.3% (PY: 2.0%) of adjusted sales.

EBIT
The Automotive group sector reported a year-on-year increase in EBIT of €286 million or 498.5% to €229 million in 2024 (PY: -€57 million). The return on sales rose accordingly to 1.2% (PY: -0.3%). The cost of sales fell by €848 million to €15,928 million (PY: €16,776 million), primarily due to lower sales volumes, normalizing purchase prices for raw materials, measures to reduce costs and improvements to efficiency. EBIT in the previous year was heavily encumbered by restructuring expenses.

The amortization of intangible assets from purchase price allocation (PPA) reduced EBIT by €55 million (PY: €58 million).

For the Automotive group sector, total consolidated expense from special effects in 2024 amounted to €170 million (PY: €387 million). For further details, please see our comments on pages 48 and 49 regarding the special effects in 2024 and 2023.

The ROCE was 2.6% (PY: -0.6%).

Procurement
Electronic components and semiconductors are essential semi-finished products for the Automotive group sector. In this procurement segment in particular, availability improved significantly in 2024 compared with the previous year. Manufacturers ensured that sufficient capacity was available for producing semiconductors, taking into account multiple-month lead times. The capacity situation was eased further by weak demand for semiconductors in the industry, declining vehicle production in the automotive sector and inventory adjustments in the automotive supply chain. This was contrasted by growing demand for specific components, including for data centers specializing in generative artificial intelligence (GenAI), especially in the USA and Asia.

Prices for some semiconductors fell year-on-year in 2024. However, trends were varied: multisource components recorded sharp price declines, while semiconductors used in the automotive industry and GenAI, for example, remained in scarce supply and saw prices climb. Continental is in negotiations with suppliers to safeguard inventories.

Steel, aluminum, copper and plastics, which are important raw materials for the Automotive group sector, were exposed over the course of the year to a challenging geopolitical environment that was influenced by trade and sanctions barriers. Nevertheless, prices and freight rates remained largely stable over the year as a whole. The expected economic recovery in China at the beginning of the year was slowed down by the ongoing real estate crisis. This led to higher steel exports to other regions, which in turn put global steel prices under pressure. The trade embargoes imposed by the USA and the UK for Russian aluminum, copper and nickel on the COMEX and LME metal exchanges in April sent prices soaring, although this spike ultimately proved to be short-lived due to low demand. In the fourth quarter, aluminum prices rose significantly compared with the prices for other materials due to supply shortages for the input material bauxite.

Research and development
Research and development expenses (net) decreased by €28 million or 1.2% year-on-year to €2,356 million (PY: €2,385 million), corresponding to 12.1% (PY: 11.8%) of sales. The figure for fiscal 2024 includes major restructuring expenses.

Depreciation and amortization
Depreciation and amortization increased by €55 million compared with fiscal 2023 to €1,094 million (PY: €1,039 million) and amounted to 5.6% of sales (PY: 5.1%). It included impairment totaling €30 million in 2024 (PY: €13 million).

Operating assets
Operating assets in the Automotive group sector decreased by €241 million year-on-year to €8,603 million (PY: €8,844 million) as at December 31, 2024.

Working capital was up €7 million at €2,620 million (PY: €2,612 million). Inventories decreased by €265 million to €2,560 million (PY: €2,825 million). Operating receivables fell by €145 million to €3,666 million (PY: €3,811 million) as at the reporting date. Operating liabilities were down €417 million at €3,607 million (PY: €4,024 million).

Non-current operating assets were down €293 million at €8,161 million (PY: €8,453 million). Goodwill fell by €31 million to €2,129 million (PY: €2,160 million), driven mainly by disposals from the scope of consolidation in the amount of €41 million and offset in turn by exchange-rate effects in the amount of €10 million. At €5,249 million, property, plant and equipment were €139 million below the previous year's level of €5,388 million. Other intangible assets fell by €144 million to €418 million (PY: €562 million). Amortization of intangible assets from purchase price allocation (PPA) in the amount of €55 million (PY: €58 million) reduced the value of intangible assets.

In the Automotive group sector, operating assets declined by €91 million due to the sale of certain operations in the Autonomous Mobility business area. Offsetting this, operating assets increased by €23 million after the consolidation method for a company was changed from the full consolidation to the equity method following loss of control.

Exchange-rate effects decreased the total operating assets of the Automotive group sector by €51 million in the reporting year (PY: €98 million).

Average operating assets in the Automotive group sector fell by €261 million compared with fiscal 2023 to €8,960 million (PY: €9,221 million).

Capital expenditure (additions)
Additions in the Automotive group sector decreased by €276 million year-on-year to €951 million (PY: €1,226 million). The capital expenditure ratio was 4.9% (PY: 6.0%).

Investments were made primarily at locations in Germany, Serbia, Romania, Mexico, China, Lithuania, the Czech Republic, the USA and Hungary.

In particular, production capacity was increased in the Safety and Motion, User Experience, Architecture and Network Solutions, and Autonomous Mobility business areas. There were major additions related to the construction of new manufacturing plants for electronic brake systems and innovative display and operating solutions, as well as vehicle electronics such as high-performance computers and radar and camera solutions.

Continued investments were made in the development of production sites in Novi Sad, Serbia; and Kaunas, Lithuania.

Employees
The number of employees in the Automotive group sector fell by 9,832 to 92,581 as at December 31, 2024 (PY: 102,413). This was primarily attributable to the implementation of transformation projects and adjustments to order volumes.

Tires

- Sales down 0.7%
- Sales up 0.9% before changes in the scope of consolidation and exchange-rate effects
- Adjusted EBIT up 1.3%

Tires in € millions	2024	2023	Δ in %
Sales	13,861	13,958	-0.7
EBITDA	2,663	2,586	3.0
in % of sales	19.2	18.5	
EBIT	1,870	1,743	7.3
in % of sales	13.5	12.5	
Research and development expenses (net)	349	336	4.0
in % of sales	2.5	2.4	
Depreciation and amortization[1]	792	843	-6.1
thereof impairment[2]	2	42	-95.0
Capital expenditure[3]	996	967	3.1
in % of sales	7.2	6.9	
Operating assets as at December 31	7,376	7,075	4.3
Operating assets (average)	7,516	7,596	-1.1
ROCE in %	24.9	22.9	
Number of employees as at December 31[4]	57,060	56,349	1.3
Adjusted sales[5]	13,861	13,920	-0.4
Adjusted operating result (adjusted EBIT)[6]	1,902	1,877	1.3
in % of adjusted sales	13.7	13.5	

1 Excluding impairment on financial investments.
2 Impairment also includes necessary reversals of impairment losses.
3 Capital expenditure on property, plant and equipment, and software.
4 Excluding trainees.
5 Before changes in the scope of consolidation.
6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Structure

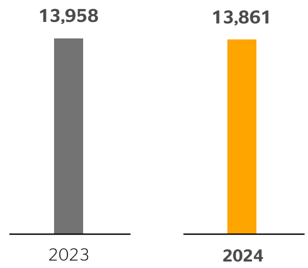
The Tires group sector (35% of consolidated sales) offers a premium portfolio of innovative tire solutions for the passenger car, truck, bus, two-wheeler and specialty segment, as well as intelligent products and services related to tires and the promotion of sustainability. For specialist dealers and fleet managers, Tires provides digital tire monitoring and tire management systems, in addition to other services, which keep fleets mobile and increase their efficiency. With its tires, the group sector contributes to safe, efficient and environmentally friendly mobility. The group sector is divided into five business areas:

- Original Equipment
- Replacement APAC
- Replacement EMEA
- Replacement The Americas
- Specialty Tires

Business and sales performance

Sales in the Tires group sector contracted slightly to €13,861 million (PY: €13,958 million) on the back of negative exchange-rate effects and weak demand in the passenger-car original-equipment business, but were propped up by growth in the global replacement markets for car and truck tires as well as continued positive effects from the product mix. Before changes in the scope of consolidation and exchange-rate effects, sales rose by 0.9%.

Sales € millions



Adjusted EBIT
Adjusted EBIT for the Tires group sector increased by €25 million or 1.3% year-on-year in 2024 to €1,902 million (PY: €1,877 million), corresponding to 13.7% (PY: 13.5%) of adjusted sales.

EBIT
The Tires group sector reported a year-on-year increase in EBIT of €128 million or 7.3% to €1,870 million in 2024 (PY: €1,743 million). The return on sales rose to 13.5% (PY: 12.5%). The cost of sales fell by €162 million to €9,762 million (PY: €9,925 million), driven mainly by lower costs for semi-finished products compared with the previous year, while expenses for wages and salaries increased over the same period. EBIT in the previous year was heavily encumbered by the sale of Russian operations and impairment on property, plant and equipment.

The amortization of intangible assets from purchase price allocation (PPA) reduced EBIT by €6 million (PY: €6 million).

For the Tires group sector, total consolidated expense from special effects in 2024 amounted to €27 million (PY: €138 million). For further details, please see our comments on pages 48 and 49 regarding the special effects in 2024 and 2023.

The ROCE was 24.9% (PY: 22.9%).

Procurement
Prices on the steel, chemicals and textiles markets fell on average over the course of the year, although there was an upward trend in the last six months due to increased freight costs. The prices of raw materials and input materials such as natural rubber and butadiene rose year-on-year, particularly in the second half, while the price level for crude oil-based semi-finished products remained stable.

Research and development
Research and development expenses (net) increased by €13 million or 4.0% year-on-year to €349 million (PY: €336 million), corresponding to 2.5% (PY: 2.4%) of sales.

Depreciation and amortization
Depreciation and amortization fell by €51 million compared with fiscal 2023 to €792 million (PY: €843 million) and amounted to 5.7% (PY: 6.0%) of sales. It included impairment totaling €2 million in 2024 (PY: €42 million).

Operating assets
Operating assets in the Tires group sector increased by €301 million year-on-year to €7,376 million (PY: €7,075 million) as at December 31, 2024.

Working capital was up €144 million at €3,213 million (PY: €3,069 million). Inventories increased by €157 million to €2,584 million (PY: €2,427 million). Operating receivables rose by €118 million to €2,585 million (PY: €2,468 million) as at the reporting date. Operating liabilities were up €130 million at €1,956 million (PY: €1,826 million).

Non-current operating assets were up €233 million at €5,463 million (PY: €5,230 million). Goodwill fell by €5 million to €407 million (PY: €411 million). Property, plant and equipment rose by €268 million to €4,883 million (PY: €4,614 million). Other intangible assets fell by €8 million to €26 million (PY: €33 million). Amortization of intangible assets from purchase price allocation (PPA) in the amount of €6 million (PY: €6 million) reduced the value of intangible assets.

In the Tires group sector, operating assets were down €10 million due to the sale of some operations in the Replacement EMEA business area. Conversely, a share deal increased operating assets by €3 million.

Exchange-rate effects increased the total operating assets of the Tires group sector by €104 million in the reporting year (PY: decrease of €167 million).

Average operating assets in the Tires group sector fell by €80 million compared with fiscal 2023 to €7,516 million (PY: €7,596 million).

Capital expenditure (additions)
Additions in the Tires group sector increased by €30 million year-on-year to €996 million (PY: €967 million). The capital expenditure ratio was 7.2% (PY: 6.9%).

Investments were made to optimize and expand production capacity at existing plants in European best-cost locations and in the USA, China, Germany and Thailand.

There were major additions related to the expansion of the production site in Hefei, China. Quality assurance and cost-cutting measures were implemented as well.

Employees
The number of employees in the Tires group sector rose by 711 to 57,060 as at December 31, 2024 (PY: 56,349). This was primarily due to adjustments to demand-driven production.

ContiTech

› Sales down 6.7%
› Sales down 6.1% before changes in the scope of consolidation and exchange-rate effects
› Adjusted EBIT down 13.6%

ContiTech in € millions	2024	2023	Δ in %
Sales	6,386	6,842	-6.7
EBITDA	562	693	-19.0
in % of sales	8.8	10.1	
EBIT	261	380	-31.4
in % of sales	4.1	5.6	
Research and development expenses (net)	182	175	4.1
in % of sales	2.9	2.6	
Depreciation and amortization[1]	301	313	-3.9
thereof impairment[2]	5	2	204.7
Capital expenditure[3]	240	210	14.6
in % of sales	3.8	3.1	
Operating assets as at December 31	3,057	3,125	-2.2
Operating assets (average)	3,183	3,284	-3.1
ROCE in %	8.2	11.6	
Number of employees as at December 31[4]	39,211	41,949	-6.5
Adjusted sales[5]	6,345	6,841	-7.2
Adjusted operating result (adjusted EBIT)[6]	393	455	-13.6
in % of adjusted sales	6.2	6.7	

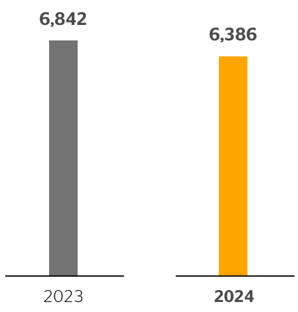
1 Excluding impairment on financial investments.
2 Impairment also includes necessary reversals of impairment losses.
3 Capital expenditure on property, plant and equipment, and software.
4 Excluding trainees.
5 Before changes in the scope of consolidation.
6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Structure
The ContiTech group sector (16% of consolidated sales) draws on its materials expertise to develop solutions for industrial applications made from rubber, metal and textiles. Its broad portfolio of hoses, conveyor belts, air springs and drive belts is designed for the operating conditions in industrial environments, which can be challenging. At the same time, ContiTech offers surface materials with an appealing look and feel for home and vehicle interiors. ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design. The group sector is divided into five business areas:

› Industrial Solutions Americas
› Industrial Solutions APAC
› Industrial Solutions EMEA
› Original Equipment Solutions
› Surface Solutions

Business and sales performance
Sales in the ContiTech group sector decreased by 6.7% year-on-year to €6,386 million in 2024 (PY: €6,842 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 6.1%. Two factors contributed to this: the downtrend in the automotive original-equipment business in Europe and North America and the year-on-year sales decline in the industrial and automotive replacement business due to the ongoing weak markets, particularly in the industrial environment and in the commercial vehicle and off-highway business.

Sales € millions



Adjusted EBIT

Adjusted EBIT for the ContiTech group sector fell by €62 million or 13.6% year-on-year in 2024 to €393 million (PY: €455 million), corresponding to 6.2% (PY: 6.7%) of adjusted sales.

EBIT

The ContiTech group sector reported a year-on-year decline in EBIT of €119 million or 31.4% to €261 million in 2024 (PY: €380 million). The return on sales fell to 4.1% (PY: 5.6%). EBIT was significantly impacted by negative margin effects and restructuring expenses, severance payments and expenses in connection with the plans to make the Original Equipment Solutions business area organizationally independent. This was offset by a reduction in the cost of sales, down €405 million to €5,180 million (PY: €5,585 million), due in particular to declining volumes, lower costs for raw materials and energy and significant efficiency improvements in production. By contrast, costs for logistics, wages and salaries increased.

The amortization of intangible assets from purchase price allocation (PPA) reduced EBIT by €48 million (PY: €53 million).

For the ContiTech group sector, total consolidated expense from special effects in 2024 amounted to €85 million (PY: €21 million). For further details, please see our comments on pages 48 and 49 regarding the special effects in 2024 and 2023.

The ROCE was 8.2% (PY: 11.6%).

Procurement

Prices for key rubber raw materials and semi-finished products like styrene and butadiene fluctuated significantly over the course of the year. Global market uncertainties, including potential US tariffs on Chinese products and fluctuating crude oil prices, continued to impact natural rubber prices. Prices on the steel and textile markets remained at a low level throughout the year, albeit with a slight upward trend in the last six months. The cost of primary raw materials for components such as flat steel and resins stabilized at a slightly lower level than in 2023. However, ongoing raw material shortages and supply chain disruptions unsettled the markets.

Research and development

Research and development expenses (net) increased by €7 million or 4.1% year-on-year to €182 million (PY: €175 million), corresponding to 2.9% (PY: 2.6%) of sales.

Depreciation and amortization

Depreciation and amortization fell by €12 million compared with fiscal 2023 to €301 million (PY: €313 million) and amounted to 4.7% (PY: 4.6%) of sales. It included impairment totaling €5 million in 2024 (PY: €2 million).

Operating assets

Operating assets in the ContiTech group sector decreased by €69 million year-on-year to €3,057 million (PY: €3,125 million) as at December 31, 2024.

Working capital was down €29 million at €1,220 million (PY: €1,249 million). Inventories decreased by €35 million to €941 million (PY: €976 million). Operating receivables fell by €68 million to €1,067 million (PY: €1,136 million) as at the reporting date. Operating liabilities were down €75 million at €788 million (PY: €863 million).

Non-current operating assets were down €57 million at €2,253 million (PY: €2,311 million). Goodwill increased by €12 million to €629 million (PY: €616 million), primarily due to exchange-rate effects. At €1,390 million, property, plant and equipment were €18 million below the previous year's level of €1,407 million. Other intangible assets fell by €49 million to €175 million (PY: €224 million). Amortization of intangible assets from purchase price allocation (PPA) in the amount of €48 million (PY: €53 million) reduced the value of intangible assets.

In the ContiTech group sector, the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in 2023 reduced operating assets by €1 million.

Exchange-rate effects increased the total operating assets of the ContiTech group sector by €13 million in the reporting year (PY: decrease of €48 million).

Average operating assets in the ContiTech group sector fell by €102 million compared with fiscal 2023 to €3,183 million (PY: €3,284 million).

Capital expenditure (additions)

Additions in the ContiTech group sector increased by €31 million year-on-year to €240 million (PY: €210 million). The capital expenditure ratio was 3.8% (PY: 3.1%).

Investments were made to expand production capacity in Germany, the USA, Mexico, China, Brazil, Romania and Hungary.

There were major additions related to the expansion of production capacity in selected growth markets for the Industrial Solutions Americas, Surface Solutions, Original Equipment Solutions and Industrial Solutions EMEA business areas. In addition, investments were made in all business areas to optimize existing production processes.

Employees

The number of employees in the ContiTech group sector fell by 2,738 to 39,211 as at December 31, 2024 (PY: 41,949). This was primarily attributable to adjustments to production volumes and the implementation of structural changes.

Contract Manufacturing

› Sales down 53.4%
› Sales down 52.5% before changes in the scope of consolidation and exchange-rate effects

Contract Manufacturing in € millions	**2024**	2023	Δ in %
Sales	239	512	–53.4
EBITDA	26	29	–8.9
in % of sales	11.0	5.6	
EBIT	15	5	195.8
in % of sales	6.3	1.0	
Research and development expenses (net)	0	0	–189.6
in % of sales	0.0	0.0	
Depreciation and amortization[1]	11	24	–52.9
thereof impairment[2]	0	0	–99.9
Capital expenditure[3]	4	7	–39.9
in % of sales	1.7	1.3	
Operating assets as at December 31	54	396	–86.4
Operating assets (average)	120	460	–73.8
ROCE in %	12.6	1.1	
Number of employees as at December 31[4]	772	1,478	–47.8
Adjusted sales[5]	239	512	–53.4
Adjusted operating result (adjusted EBIT)[6]	7	8	–12.1
in % of adjusted sales	2.9	1.6	

1 Excluding impairment on financial investments.
2 Impairment also includes necessary reversals of impairment losses.
3 Capital expenditure on property, plant and equipment, and software.
4 Excluding trainees.
5 Before changes in the scope of consolidation.
6 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

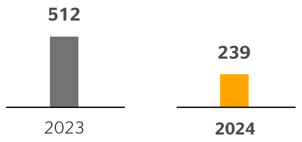
Structure
The contract manufacturing of products by Continental companies for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is consolidated in the Contract Manufacturing group sector (1% of consolidated sales). This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will continue to be promoted and the volume of contract manufacturing reduced. Contract Manufacturing includes one business area:

› Contract Manufacturing

Business and sales performance
Sales volumes in the Contract Manufacturing group sector decreased year-on-year in 2024. This corresponds to the contractually agreed procedure between Continental and the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024).

Sales decreased by 53.4% year-on-year to €239 million (PY: €512 million). Before changes in the scope of consolidation and exchange-rate effects, sales declined by 52.5%.

Sales € millions



Adjusted EBIT
Adjusted EBIT for the Contract Manufacturing group sector decreased by €1 million or 12.1% year-on-year in 2024 to €7 million (PY: €8 million), corresponding to a margin of 2.9% (PY: 1.6%) of adjusted sales.

EBIT
The Contract Manufacturing group sector reported a year-on-year increase in EBIT of €10 million or 195.8% to €15 million in 2024 (PY: €5 million). The return on sales rose to 6.3% (PY: 1.0%). The cost of sales was down sharply year-on-year in fiscal 2024 at €233 million (PY: €514 million), driven not only by the planned reduction in sales, but also by the efficiency measures implemented in the group sector.

For the Contract Manufacturing group sector, total consolidated income from special effects in 2024 amounted to €8 million (PY: expense of €3 million). For further details, please see our comments on pages 48 and 49 regarding the special effects in 2024 and 2023.

The ROCE was 12.6% (PY: 1.1%).

Procurement
Procurement in the Contract Manufacturing group sector was characterized by a stabilized supply chain, notwithstanding some isolated shortages. Production capacities at suppliers were adjusted to annual requirements, and prices followed the general market trend. Due to the contractual arrangements with the Schaeffler Group/ Vitesco Technologies (until the merger on October 1, 2024), all price changes in the purchasing volume are passed on to the Schaeffler Group on a quarterly basis and therefore have no influence on the operating result of the Contract Manufacturing group sector.

Depreciation and amortization
Depreciation and amortization fell by €13 million compared with fiscal 2023 to €11 million (PY: €24 million) and amounted to 4.7% (PY: 4.6%) of sales.

Operating assets
Operating assets in the Contract Manufacturing group sector decreased by €342 million year-on-year to €54 million (PY: €396 million) as at December 31, 2024.

Working capital was down €333 million at €21 million (PY: €354 million). Inventories decreased by €20 million to €29 million (PY: €49 million). Operating receivables fell by €360 million to €30 million (PY: €390 million) as at the reporting date. Operating liabilities were down €47 million at €38 million (PY: €85 million).

Non-current operating assets were down €36 million year-on-year at €52 million (PY: €89 million). At €52 million, property, plant and equipment were €36 million below the previous year's level of €88 million.

Exchange-rate effects decreased the total operating assets of the Contract Manufacturing group sector by €7 million in the reporting year (PY: increase of €11 million).

Average operating assets in the Contract Manufacturing group sector fell by €339 million compared with fiscal 2023 to €120 million (PY: €460 million).

Capital expenditure (additions)
Additions in the Contract Manufacturing business area decreased by €3 million year-on-year to €4 million (PY: €7 million). The capital expenditure ratio was 1.7% (PY: 1.3%).

The capital expenditure was primarily attributable to production equipment for the manufacture of specific products and the implementation of new technologies.

Employees
The number of employees in the Contract Manufacturing group sector fell by 706 compared with the previous year, totaling 772 as at December 31, 2024 (PY: 1,478).

Overall Statement on the Business Performance and Position of the Continental Group

The business performance of the Continental Group was impacted in the reporting year by the overall weak macroeconomic environment, especially in its core market of Europe, and the global decline in automotive production. Against this backdrop, the strategy focused on value creation proved effective in the opinion of the Executive Board. While the Continental Group's consolidated sales of €39.7 billion were €1.7 billion below the previous year's figure of €41.4 billion, the adjusted EBIT margin improved to 6.8% (PY: 6.1%) on the back of lower energy prices and, in the first half of the year in particular, lower material costs, but above all the implementation of cost reduction measures and efficiency improvements. Adjusted free cash flow was €1,052 million (PY: €1,292 million), slightly above the target range. The payment for the buyback of shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH) and payments for restructuring had a negative impact on adjusted free cash flow, while the improved operating result and positive effects of working capital management had an offsetting effect.

Faced with a continued challenging market environment and declining vehicle production, especially in Europe, the Automotive group sector recorded a drop in sales of €0.9 billion to €19.4 billion (PY: €20.3 billion). At the same time, Automotive increased its adjusted EBIT margin to 2.3% (PY: 2.0%) and significantly improved its EBIT. This improvement was primarily attributable to the rigorous implementation of cost reduction measures, efficiency improvements and agreements from price negotiations with automotive manufacturers. In addition, the prior-year figure was heavily encumbered by restructuring expenses.

Sales in the Tires group sector contracted slightly to €13.9 billion (PY: €14.0 billion) on the back of negative exchange-rate effects and weak demand in the passenger-car original-equipment business, but were propped up by growth in the global tire-replacement markets. Nevertheless, Tires managed to slightly increase its adjusted EBIT margin from 13.5% in the previous year to 13.7% in 2024, mainly on the back of the growing share of premium tires and a strong winter tire business in Europe.

The downtrend in the automotive original-equipment business in Europe and North America combined with persistently weak markets, particularly in the industrial segment, likewise depressed sales in ContiTech, with the group sector recording sales of €6.4 billion (PY: €6.8 billion). ContiTech's earnings position was also hampered by the weak market environment, and its adjusted EBIT margin fell to 6.2% (PY: 6.7%).

Business in the Contract Manufacturing group sector continued to decline in accordance with the contractually agreed procedure between Continental and the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024). Its sales amounted to €0.2 billion (PY: €0.5 billion) in 2024, and its adjusted EBIT margin was 2.9% (PY: 1.6%).

Continental AG – Short Version in Accordance with *HGB*

In addition to the reporting on the Continental Group as a whole, the performance of the parent company is presented separately here.

Unlike the consolidated financial statements, the annual financial statements of Continental AG are prepared in accordance with German commercial law (the German Commercial Code, *Handelsgesetzbuch – HGB*) and the German Stock Corporation Act *(Aktiengesetz – AktG)*. The management report of Continental AG has been combined with the consolidated report of the Continental Group in accordance with Section 315 (5) *HGB*, as the parent company's future risks and opportunities and its expected development are inextricably linked to that of the Continental Group as a whole. In addition, the following presentation of the parent company's business performance, including its results, net assets and financial position, provides a basis for understanding the Executive Board's proposal for the distribution of retained earnings.

Continental AG acts solely as a management and holding company for the Continental Group.

Total assets increased by €2,239 million year-on-year to €23,250 million (PY: €21,011 million). On the assets side, the change resulted primarily from the increase in receivables from affiliated companies of €2,403 million to €11,300 million (PY: €8,897 million). This was offset by cash and cash equivalents, which fell by €209 million to €164 million (PY: €372 million).

Investments rose by €3 million year-on-year to €11,378 million (PY: €11,375 million), thus corresponding to 48.9% of total assets (PY: 54.1%).

Property, plant and equipment fell by €2 million year-on-year to €261 million (PY: €264 million).

At €120 million (PY: €82 million), prepaid expenses and deferred charges were up €38 million. This increase resulted mainly from higher year-on-year accruals for IT services.

Net assets and financial position of Continental AG	**Dec. 31, 2024**	Dec. 31, 2023
Assets in € millions		
Intangible assets	7	10
Property, plant and equipment	261	264
Investments	11,378	11,375
Non-current assets	**11,647**	**11,649**
Receivables and other assets	11,320	8,908
Cash and cash equivalents	164	372
Current assets	**11,483**	**9,280**
Prepaid expenses and deferred charges	**120**	**82**
Total assets	**23,250**	**21,011**
Shareholders' equity and liabilities in € millions		
Subscribed capital	512	512
Capital reserves	4,179	4,179
Revenue reserves	3,401	55
Retained earnings	5,317	2,412
Shareholders' equity	**13,409**	**7,157**
Provisions	**616**	**881**
Liabilities	**9,224**	**12,973**
Total equity and liabilities	**23,250**	**21,011**
Equity ratio in %	57.7	34.1

On the equity and liabilities side, the change resulted primarily from the increase in shareholders' equity of €6,252 million to €13,409 million (PY: €7,157 million) and the increase in bonds of €824 million to €4,183 million (PY: €3,359 million). This was partially offset by the decline in liabilities to affiliated companies of €4,345 million to €4,208 million (PY: €8,553 million).

The increase in bonds was partially due to the issuance of a new euro bond in October 2024 with a total nominal volume of €600 million. Furthermore, as at the reporting date, Continental AG had issued commercial paper with a total volume of €309 million. An offsetting effect was attributable to the on-time repayment of a private placement on October 16, 2024, with a nominal volume of €100 million.

Bank loans and overdrafts rose by €145 million to €710 million (PY: €565 million).

Liabilities to affiliated companies were down €4,345 million year-on-year to €4,208 million (PY: €8,553 million). This was primarily attributable to the reduced provision of loans and overnight deposits made available to Continental AG by its subsidiaries.

Other liabilities fell by €372 million year-on-year to €21 million (PY: €393 million). Of this decline, €364 million was attributable to the payment in January 2024 of the purchase price for the reacquisition of shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH) to Continental Pension Trust e.V.

Provisions decreased by €264 million year-on-year to €616 million (PY: €881 million) due to the €104 million decline in other provisions to €87 million (PY: €191 million), the €99 million decline in pension provisions to €285 million (PY: €384 million) and the €62 million decline in tax provisions to €244 million (PY: €306 million).

Of the decline in pension provisions, €99 million was also due in large part to the reacquisition of shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH). This led to a €111 million rise in plan assets. The reimbursement of pensions from the trust assets of Continental Pension Trust e.V. paid out by Continental AG in fiscal 2023 and 2024 had an offsetting effect, reducing plan assets by €22 million.

Shareholders' equity rose by €6,252 million to €13,409 million (PY: €7,157 million), driven by net income of €6,692 million in the fiscal year. An offsetting effect was attributable to the dividend distribution of €440 million carried out in fiscal 2024. The equity ratio rose from 34.1% in the prior year to 57.7%.

Sales for fiscal 2024 climbed by €59 million to €396 million (PY: €337 million), primarily due to higher sales from corporate services.

Other operating income increased by €219 million year-on-year to €321 million (PY: €102 million). This was primarily attributable to the transfer of expenses to group subsidiaries according to the input involved. These expenses were incurred by Continental AG from the proceedings conducted by the prosecutor's offices in Frankfurt am Main and Hanover due to illegal defeat devices in diesel engines in previous years. In line with the transfer of expenses, the provision was reversed in the amount of the fines arising from the proceedings conducted by the public prosecutor's office in Hanover attributable to other subsidiaries. The costs of the proceedings incurred in fiscal 2024 were distributed proportionately, and in accordance with the fine notice amounts, between the subsidiaries responsible. The provision recognized for this by Continental AG was reversed in the corresponding amount.

Net investment income rose by €6,992 million year-on-year to €7,043 million (PY: €51 million). As in the previous year, it mainly consisted of profit and loss transfers from the subsidiaries. Income from profit transfers of €7,043 million (PY: €767 million) resulted in particular from Continental Caoutchouc-Export-GmbH, Hanover (€6,915 million) and from Continental Automotive GmbH, Hanover (€110 million). The increase in profit transfer is mainly due to preparatory measures for the planned spin-off of the Automotive and Contract Manufacturing group sectors. No expenses from loss transfers were recorded in the fiscal year (PY: €719 million).

The negative net interest result increased by €65 million year-on-year to €293 million in fiscal 2024 (PY: €229 million), primarily attributable to higher borrowing costs on average than in fiscal 2023.

Interest expense rose by €95 million in the fiscal year to €457 million (PY: €362 million), with interest expenses to affiliated companies increasing by €85 million to €293 million (PY: €208 million). Furthermore, the euro bonds issued by Continental AG led to expenses of €104 million (PY: €75 million). The €29 million increase resulted primarily from the euro bond issued in October 2024 with a nominal volume of €600 million and a fixed interest rate of 3.500% p.a.

Interest income rose by €30 million in the fiscal year to €164 million (PY: €134 million). This was primarily due to interest income from affiliated companies.

The tax expense of €29 million (PY: €23 million) resulted mainly from non-imputable withholding taxes for the income tax consolidation group of Continental AG as well as the reversal of tax-related risks, a provision for tax-related risks arising from the company audit conducted by a foreign tax authority and first-time tax expenses of €9 million from the global minimum corporate tax rate.

After taking income tax expense into account, Continental AG generated net income for the year of €6,692 million (PY: net loss of €423 million). The after-tax return on equity was 49.9% (PY: -5.9%).

Continental AG has defined a target range for dividend distribution of 20% to 40% of net income attributable to the shareholders. Of the net income for fiscal 2024, €3,346 million was allocated to other revenue reserves. Taking into account the retained earnings brought forward from the previous year of €2,412 million and the dividend distribution of €440 million, as well as the allocation of €3,346 million to revenue reserves, retained earnings amounted to €5,317 million. The Supervisory Board and Executive Board will propose to the Annual Shareholders' Meeting the payment of a dividend of €2.50 per share entitled to dividends. The total distribution is therefore €500,014,957.50 for 200,005,983 shares entitled to dividends. The remaining retained earnings are to be allocated in the amount of €4,817 million to other revenue reserves.

We expect further income from profit and loss transfers and investment income from the subsidiaries within the scope of the holding activities of Continental AG in fiscal 2025. Furthermore, Continental AG will continue to provide a financing function for its subsidiaries.

Earnings position of Continental AG in € millions	**2024**	2023
Sales	396	337
Cost of sales	–381	–326
Gross margin on sales	**15**	**11**
Administrative expenses	–272	–213
Other operating income	321	102
Other operating expenses	–94	–125
Net investment income	7,043	51
Income from other securities and long-term loans	2	1
Net interest result	–293	–229
Result from activities	**6,721**	**–401**
Income tax expense	–29	–23
Net income	**6,692**	**–423**
Accumulated profits brought forward from the previous year	1,972	2,835
Allocation to other revenue reserves	–3,346	–
Retained earnings	**5,317**	**2,412**

Other Information
Dependent Company Report

Final declaration from the Executive Board's report on relations with affiliated companies pursuant to Section 312 of the German Stock Corporation Act *(Aktiengesetz – AktG)*
In fiscal 2024, Continental AG was a dependent company of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, as defined under Section 312 *AktG*. In line with Section 312 (1) *AktG*, the Executive Board of Continental AG has prepared a report on relations with affiliated companies, which contains the following final declaration:

"We declare that the company received an appropriate consideration for each transaction and measure listed in the report on relations with affiliated companies from January 1 to December 31, 2024, under the circumstances known to us at the time the transactions were made or the measures taken or not taken. To the extent the company suffered any detriment thereby, the company was granted the right to an appropriate compensation before the end of the 2024 fiscal year. The company did not suffer any detriment because of taking or refraining from measures."

Additional Disclosures and Notes Pursuant to Sections 289a and 315a *HGB*

1. Composition of issued capital
As of the end of the reporting period, the issued capital of the company amounted to €512,015,316.48 and is divided into 200,005,983 no-par-value shares. These shares of Continental AG are, without exception, common shares; different classes of shares have not been issued and have not been provided for in the Articles of Incorporation. Each share bears voting and dividend rights from the time it is issued. Each share entitles the holder to one vote at a Shareholders' Meeting (Article 20 (1) of the Articles of Incorporation). There are no shares with privileges.

2. Restrictions on voting rights or transfer options
Restrictions relating to voting rights or the transfer of the company's shares are not known to the Executive Board.

3. Shareholdings exceeding 10% of voting rights
For details of the equity interests exceeding 10% of the voting rights (reported level of equity interest), please refer to the notice in accordance with the German Securities Trading Act *(Wertpapierhandelsgesetz – WpHG)* under Note 42 to the consolidated financial statements, and to the notes to the separate financial statements of Continental AG.

4. Bearers of shares with privileges
There are no shares with privileges granting control.

5. Type of voting right control for employee shareholdings
The company is not aware of any employees with shareholdings not directly exercising control of their voting rights.

6. Provisions for the appointment and dismissal of members of the Executive Board and for the amendment of the Articles of Incorporation

a) In accordance with the Articles of Incorporation, the Executive Board consists of at least two members; beyond this the number of members of the Executive Board is determined by the Supervisory Board. Members of the Executive Board are appointed and dismissed in accordance with Section 84 of the German Stock Corporation Act *(Aktiengesetz – AktG)* in conjunction with Section 31 of the German Co-determination Act *(Mitbestimmungsgesetz – MitbestG)*. In line with this, the Supervisory Board is responsible for the appointment and dismissal of members of the Executive Board. It passes decisions with a majority of two-thirds of its members. If this majority is not reached in the event of an appointment, the so-called Mediation Committee must submit a nomination to the Supervisory Board for the appointment within one month of voting. Other nominations can also be submitted to the Supervisory Board in addition to the Mediation Committee's nomination. A simple majority of the votes is sufficient when voting on these nominations submitted to the Supervisory Board. In the event that voting results in a tie, a new vote takes place in which the chairman of the Supervisory Board has the casting vote in accordance with Section 31 (4) *MitbestG*.

b) Amendments to the Articles of Incorporation are made by the Shareholders' Meeting. In Article 20 (3) of the Articles of Incorporation, the Shareholders' Meeting has exercised the option granted in Section 179 (1) Sentence 2 *AktG* to confer on the Supervisory Board the power to make amendments affecting only the wording of the Articles of Incorporation.

   In accordance with Article 20 (2) of the Articles of Incorporation, resolutions of the Shareholders' Meeting to amend the Articles of Incorporation are usually adopted by a simple majority and, insofar as a capital majority is required, by a simple majority of the capital represented unless otherwise stipulated by mandatory law or particular provisions of the Articles of Incorporation. The law prescribes a mandatory majority of three-quarters of the share capital represented when resolutions are made, for example, for amendments to the Articles of Incorporation involving substantial capital measures, such as resolutions concerning the creation of authorized or contingent capital.

7. Authorizations of the Executive Board, particularly with regard to its options for issuing or withdrawing shares

a) The Executive Board can issue new shares only on the basis of resolutions by the Shareholders' Meeting. As at the end of the reporting period, the Executive Board had not been authorized to issue new shares in connection with a capital increase (authorized capital) or to issue convertible bonds, warrant-linked bonds or other financial instruments that could entitle the bearers to subscribe to new shares.

b) The Executive Board may only buy back shares under the conditions codified in Section 71 *AktG*. The Shareholders' Meeting has not authorized the Executive Board to acquire treasury shares in line with Section 71 (1) No. 8 *AktG*.

8. Material agreements of the company subject to a change of control following a takeover bid and their consequences

The following material agreements are subject to a change of control at Continental AG:

a) The agreement concluded on December 3, 2019, for a syndicated revolving credit facility of €4.0 billion grants each creditor the right to terminate the agreement prematurely and to demand repayment of the loans granted by it if one person or several persons acting in concert acquire control of Continental AG and subsequent negotiations concerning a continuation of the loan do not lead to an agreement. The term "control" is defined as the holding of more than 50% of the voting rights or if Continental AG concludes a domination agreement as defined under Section 291 *AktG* with Continental AG as the company dominated.

b) The bonds issued by Continental AG in September 2019 at a nominal amount of €600 million, in May 2020 at a nominal amount of €750 million, in November 2022 at a nominal amount of €625 million, in June 2023 at a nominal amount of €750 million, in August 2023 at a nominal amount of €500 million and in October 2024 at a nominal amount of €600 million entitle each bondholder to demand that the bonds held by the bondholder be redeemed or acquired at a price established in the bond conditions in the event of a change of control at Continental AG. The bond conditions define a change of control as the sale of all or substantially all of the company's assets to third parties that are not affiliated with the company, or as one person or several persons acting in concert, pursuant to Section 2 (5) of the German Takeover Act *(Wertpapiererwerbs- und Übernahmegesetz – WpÜG)*, holding more than 50% of the voting rights in Continental AG by means of acquisition or as a result of a merger or other form of combination with the participation of Continental AG.

If a change of control occurs as described in the agreements above and a contractual partner or bondholder exercises its respective rights, it is possible that required follow-up financing may not be approved under the existing conditions, which could therefore lead to higher financing costs.

c) In 1996, Compagnie Financière Michelin SCmA, Granges-Paccot, Switzerland (now Compagnie Financière Michelin SAS, Clermont-Ferrand, France), and Continental AG founded MC Projects B.V., Maastricht, Netherlands, with each owning 50%. Michelin contributed the rights to the Uniroyal brand for Europe to the company. MC Projects B.V. licenses these rights to Continental. According to the agreements, this license can be terminated without notice if a major competitor in the tire business acquires more than 50% of the voting rights of Continental. In this case, Michelin also has the right to acquire a majority in MC Projects B.V. and to have MC Projects B.V. increase its minority stake in the manufacturing company of Continental Barum s.r.o., Otrokovice, Czech Republic, to 51%. In the case of such a change of control and the exercise of these rights, there could be losses in sales of the Tires group sector and a reduction in the production capacity available to this group sector.

9. Compensation agreements of the company with members of the Executive Board or employees in the event of a takeover bid

No compensation agreements have been concluded between the company and the members of the Executive Board or employees providing in the event of a takeover bid.

Remuneration of the Executive Board

The total remuneration of the members of the Executive Board comprises a number of remuneration components. These include a remuneration component that is unrelated to performance, including specific additional benefits and entitlement to a company pension, and a variable component that is based on performance, consisting of a short-term remuneration component and long-term remuneration components. Further details including individual remuneration are specified in the remuneration report that is available on our website under Company/Corporate Governance/Executive Board.

Corporate Governance Statement Pursuant to Sections 289f and 315d *HGB*

The corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code *(Handelsgesetzbuch – HGB)* is available to our shareholders on our website under Company/Corporate Governance/Principles and Declarations. Please also refer to the corporate governance statement pursuant to Sections 289f and 315d *HGB* starting on page 16 of this annual report.

Report on Risks and Opportunities

The overall situation is analyzed and managed corporate-wide using the risk and opportunity management system.

As an integral part of the corporate strategy, Continental's risk strategy is aligned with the company's strategic objectives. It aims to create long-term value while also taking into account the differentiation between the individual group sectors. We evaluate risks and opportunities continually and responsibly to achieve our goal of adding value.

We define risk as the possibility of internal or external events occurring that can have a negative influence on the attainment of our strategic and operational targets. As a global corporation, Continental is exposed to a number of different risks that could impair business and, in extreme cases, threaten the company's existence. At the same time, we aim to resolutely seize opportunities that arise, as described in the Strategy of the Continental Group section. We accept manageable risks if the resulting opportunities are expected to result in sustainable growth in value. We consider growth in value in terms of the Continental Value Contribution (CVC) system described in the Corporate Management section.

Continental's Internal Control and Risk Management System

The governance systems at Continental comprise the internal control system (ICS), the risk management system (RMS) and – as a subcomponent of these systems – the compliance management system (CMS). The risk management system in turn also includes the early risk identification system in accordance with Section 91 (2) of the German Stock Corporation Act *(Aktiengesetz – AktG)*.

The Executive Board is responsible for the governance systems, which include all subsidiaries under the control of Continental. The Supervisory Board and its Audit Committee monitor the effectiveness of these systems.

Main characteristics of the internal control system

In order to operate successfully as a company in a complex business environment and to ensure the effectiveness, efficiency and propriety of all processes and compliance with the relevant legal and sub-legislative regulations, Continental has established an internal control system that encompasses all relevant business processes. Certain aspects of sustainability are also considered and continuously further developed in compliance with the regulatory framework. Further progress was made in the reporting year on incorporating management and monitoring of the internal control system into a holistic ICS governance system.

The Governance, Risk and Compliance (GRC) Committee, chaired by the Executive Board member responsible for Finance, Integrity and Law, is responsible for monitoring the ICS and the RMS and – as part of these systems – the CMS.

Key elements of the corporate-wide ICS are the clear allocation of responsibilities and system-inherent controls in the respective process flows. The two-person rule and separation of functions are fundamental principles of this organization. Continental's management also issues guidelines to ensure that all business processes are conducted in an economical, orderly and legally compliant manner. Guidelines specific to the Continental Group and to its individual group sectors are managed centrally in the "House of Rules" and are thus available to all Continental employees.

Based on these fundamental principles and the globally applicable guidelines, the ICS at Continental follows the Three Lines Model.

In the **first line**, system-inherent controls are configured in all functional areas relevant to the organization to support the economical, orderly and legally compliant execution of process flow transactions in accordance with the corporate-wide guidelines. At the same time, these transactional controls help to identify risks and deviations that require separate consideration. As the controls and process flows established in the first line apply to Continental's operating business, they are generally put in place at the level of our operating units, such as our subsidiaries, business areas and group sectors.

In the **second line** of our ICS, guidelines for process flows are developed, implemented and updated and compliance with controls and guidelines is monitored. Responsibility for this lies primarily with the group functions, in addition to the business areas and group sectors. The responsibilities include, for example, the RMS and the CMS. In order to perform this supervisory and monitoring function, an integrated reporting system has been established that includes, for example, the financial reporting ICS, the general risk management system, the compliance risk management system and the tax compliance management system. During the course of the progress made on formalizing the governance systems and the continuous improvements made to processes, the ICS and the RMS were further developed and standardized in various projects. The supervisory and monitoring function is performed on the basis of regular reports and supplemented as needed with effectiveness tests as part of self-audits and regular internal and external reviews.

The CMS plays an important role within the second line of defense by helping to prevent, detect and respond to compliance violations. The Group Compliance group function is responsible for the CMS. The chief compliance officer reports directly to the Executive Board member responsible for Finance, Integrity and Law. The work done by Group Compliance focuses mainly on preventing and detecting corruption, fraud and other property offenses, violations of antitrust and competition law and money laundering; implementing data protection; and responding to compliance violations. For other legal areas in which there is a risk of compliance violations – such as taxes, customs, sanctions and export controls, and quality/technical compliance – responsibility for appropriate and effective compliance management lies with the respective functions, which are supported in these tasks by Group Compliance.

An effective culture of compliance is the basis for prevention. It begins with setting an appropriate “tone from the top” by the Executive Board and management and, in addition to risk analysis, includes in particular employee training, compliance consulting and the internal publication of guidelines.

In the course of risk analysis, the business activities of Continental are examined for compliance risks within the scope of top-down as well as bottom-up review processes. The risk of compliance violations arises primarily from organizational structures and workflows, the given market situation, activities in certain geographical regions, inappropriate incentive systems, conflicts of interest, and criminal intent on the part of individual employees. Furthermore, findings from investigations by the Group Internal Audit group function as well as discussions with management and employees at all hierarchical levels are taken into account. This risk analysis is not a one-off procedure, but is performed regularly and continuously updated.

Prevention is also fostered by consultation on specific matters with Group Compliance and by the internal publication of guidelines on topics such as anti-corruption (including giving and receiving gifts as well as donations and sponsoring), antitrust and competition law, anti-money laundering and data protection. In training events and through various other communication formats, Group Compliance addresses topics directly related to everyday compliance issues and challenges.

Continental introduced the Business Partner Code of Conduct to prevent compliance violations by suppliers, service providers, representatives or similar third parties. This must be recognized as a basic requirement for doing business with Continental.

In the context of detection, Continental has set up an Integrity Hotline to give employees and third parties outside the Continental Group the opportunity to report violations of legal regulations, its fundamental values and ethical standards. Information on any kind of potential violations, including accounting manipulation, can be reported anonymously via this hotline. The hotline is available worldwide in many different languages. Group Internal Audit rigorously pursues any and all substantiated leads.

Detection also includes the support of regular and incident-related audits conducted by Group Internal Audit. Compliance-related issues are also the subject of regular audits by Group Internal Audit.

Responses are aimed at implementing measures as a consequence of identified compliance violations. Group Compliance is involved in decision-making on measures that may be required, including thorough analysis to ensure that isolated incidents are not symptoms of failings in the system. In this way, corresponding gaps can be closed preventively and both the CMS and the ICS can be systematically developed.

When it comes to preventing violations in the area of technical compliance, responsibility lies with the Group Quality, Technical Compliance, CBS and Environment group function, supported by the central functions within the group sectors. The technical compliance policy as well as the technical compliance management system manual and other procedural standards set out how the compliance management system is designed and implemented.

A network of supporting roles in the various functions within the group sectors, business areas, segments and sites is being devised and expanded on an ongoing basis in order to support the identification of risks and other technical compliance considerations.

The **third line** of our ICS is our Group Internal Audit group function.

Group Internal Audit provides an independent and objective auditing and advisory function, applying a systematic, risk-oriented approach to help review, assess and improve the adequacy and effectiveness of the organization’s governance systems. Continental’s Executive Board authorizes Group Internal Audit to conduct audits in all regions, companies and functions of Continental AG and its affiliated, fully consolidated subsidiaries worldwide.

Group Internal Audit prepares an annual risk-oriented audit plan that is submitted to Continental’s Executive Board for review and approval. In addition to its planned general audits, Group Internal Audit also conducts special investigations. These are based on tips and information about fraudulent acts received from internal or external sources such as the Integrity Hotline.

Group Internal Audit regularly reports its audit and investigation results to the Executive Board and the Audit Committee. Significant risks and potential improvements to internal controls are presented as part of the reporting to the aforementioned bodies. The implementation by management of the measures recommended in the course of audits is also monitored by Group Internal Audit and reported to the Executive Board and the Audit Committee.

Main characteristics of the internal control and risk management system with respect to the accounting process (Sections 289 (4) and 315 (4) of the German Commercial Code *(Handelsgesetzbuch – HGB)*)

Pursuant to Sections 289 (4) and 315 (4) *HGB*, the main characteristics of the internal control and risk management system with respect to the accounting process must be described. All parts of the RMS and the ICS that could have a material effect on the annual and consolidated financial statements must be included in the reporting.

The consolidated financial statements of Continental AG are prepared on the basis of standard reporting by the subsidiaries included in the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). Reporting is performed in compliance with IFRS and with the accounting manual applicable throughout the Continental Group. The consolidation of subsidiaries, debt, and income and expenses as well as the elimination of intercompany profits and losses is performed at corporate level.

The effectiveness of the financial reporting ICS is evaluated in major areas by carrying out effectiveness tests in the reporting units on a quarterly basis. In addition, Group Internal Audit reviews the efficiency and effectiveness of control processes as well as compliance with internal and external requirements. If any weaknesses are identified, the Continental Group's management initiates the necessary measures.

Main characteristics of the risk management system
In the GRC and RMS policies adopted by the Executive Board, Continental has defined the general conditions for integrated GRC and the risk management system that regulates the identification, assessment, management, reporting and documentation of risks. In addition, this also further increases corporate-wide risk awareness and establishes the framework for a uniform risk culture.

The GRC system incorporates all components of risk reporting and the examination of the effectiveness of the financial reporting ICS. Risks are identified, assessed and reported at the organizational level that is also responsible for managing the identified risks. A multi-stage assessment process is used to involve also the higher-level organizational units. The GRC system thus includes all reporting levels, from the company level to the top corporate level.

At the corporate level, the responsibilities of the GRC Committee include identifying material risks for the Continental Group, based on a multi-stage reporting process, as well as complying with and implementing the GRC and RMS policies. The GRC Committee regularly informs the Executive Board and the Audit Committee of the Supervisory Board of the material risks, any weaknesses in the control system and measures taken. Moreover, the auditor is required to report to the Audit Committee of the Supervisory Board regarding any material weaknesses in the financial reporting ICS which they have identified as part of their audit activities.

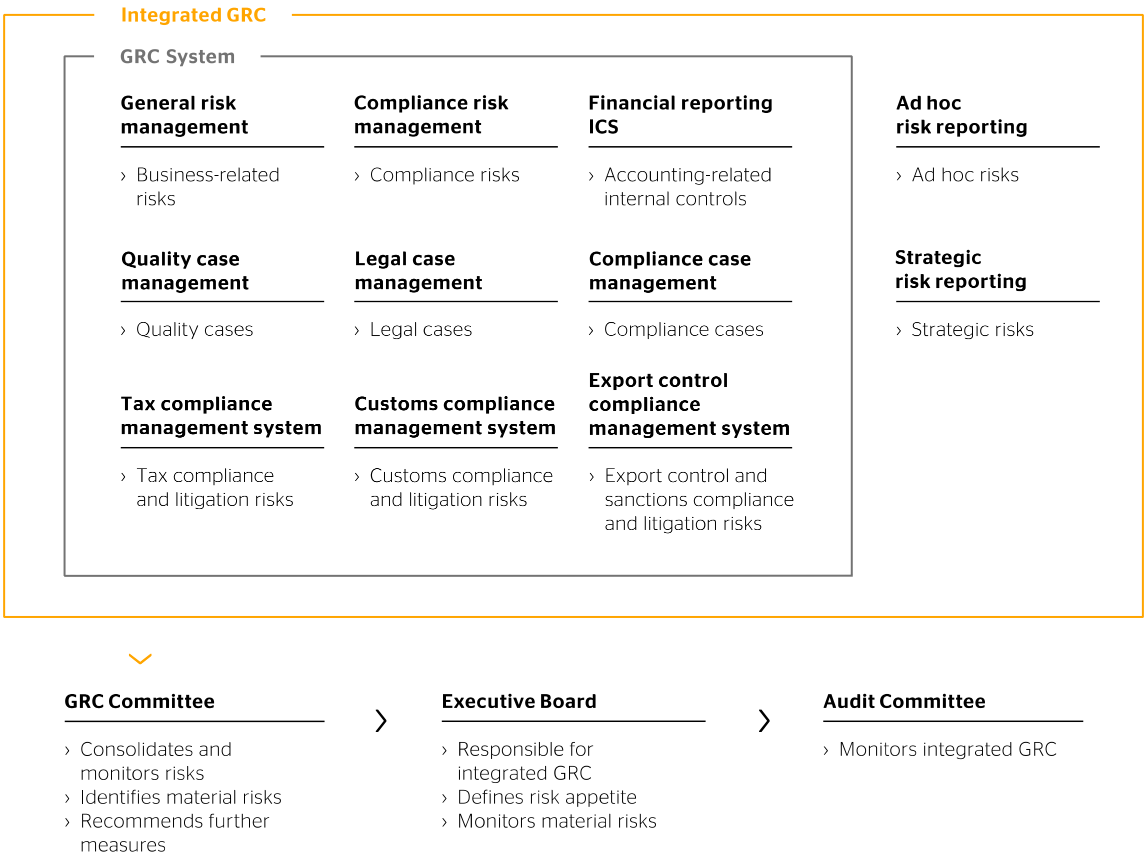
A period under consideration of one year is always applied when evaluating risks and opportunities. Risks and their effects are assessed using an end-to-end gross and net assessment methodology that helps to identify the impact of risk mitigation measures. Risks are assessed primarily according to quantitative criteria in various categories. If a risk cannot be assessed quantitatively, then it is assessed qualitatively based on the potential negative effects its occurrence would have on achieving corporate goals and based on other qualitative criteria such as the impact on Continental's reputation. Risks and opportunities are not offset.

Material individual risks for the Continental Group are identified from all the reported risks based on the probability of occurrence and the potential amount of damage that would be caused in the period under consideration. Quantified risks are based on EBIT effect and free cash flow effect.

The individual risks that Continental has classified as material and the aggregated risks that have been assigned to risk categories are all described in the report on risks and opportunities, provided the potential negative effect of an individual risk or the sum of risks included in a category exceeds €100 million in the period under consideration or there is a significant negative impact on the corporate goals.

The risk inventory, aggregated using a Monte Carlo simulation, is compared with the risk-bearing capacity determined on the reporting date, taking into account possible material interactions and quantitative assumptions on qualitatively assessed risks, and is supplemented by a qualitative assessment by the GRC Committee on overarching non-quantifiable risks in order to derive a statement on the potential risk to the Continental Group.

Risk reporting



Local management can utilize various instruments for risk assessment, such as predefined risk categories (e.g. exchange-rate risks, product-liability risks, legal risks) and assessment criteria, centrally developed function-specific questionnaires as well as the financial reporting ICS's process and control descriptions. The key controls in business processes (purchase to pay, order to cash, asset management, HR, IT authorizations, the financial statement closing process and sustainability reporting) are thus tested with respect to their effectiveness.

All major subsidiaries carry out a semiannual assessment of business-related risks and regular bottom-up identification and evaluation of compliance risks in the GRC system's IT-aided risk management application. Any quality, legal and compliance cases that have actually occurred are also taken into account when assessing these risks. The GRC system likewise encompasses the tax compliance management system, the customs compliance management system and the export control compliance management system in order to ensure standard and regular review and reporting of pertinent risks. The quarterly financial reporting ICS completes regular GRC reporting.

In the reporting year, Continental further developed its process for identifying and reporting strategic risks and opportunities. Any new material risks arising ad hoc between regular reporting dates have to be reported immediately and considered by the GRC Committee. These also include risks identified in the audits performed by group functions.

In addition to the risk analyses carried out by the reporting units as part of integrated GRC, audits are also performed by Group Internal Audit. Furthermore, the various controlling functions analyze the key figures provided as part of this reporting process at corporate and group-sector level in order to assess the effects of potential risks.

For each risk identified, the responsible management team initiates appropriate countermeasures which, for material risks, are also documented in the GRC system. The GRC Committee monitors and consolidates the material risks and suitable countermeasures at the corporate level. It regularly reports to the Executive Board and recommends further measures if needed. The Executive Board discusses and resolves the measures and reports to the Supervisory Board's Audit Committee. The responsible bodies continually monitor the development of all identified risks and the progress of actions initiated. Group Internal Audit regularly audits the risk management process, thereby continually monitoring its effectiveness and further development.

Appropriateness and effectiveness of the internal control and risk management system

The Executive Board based its assessment of the appropriateness and effectiveness of the internal control and risk management system on the findings from routine internal reporting, but in particular also on function-specific statements on the internal control and risk management system as well as an assessment of these by Group Internal Audit, which were consolidated into an overall statement by the GRC Committee. These statements, together with the overall statement by the GRC Committee, are intended to offer an overview of key activities and controls that have been implemented, summarize measures for reviewing appropriateness and effectiveness, and indicate critical weaknesses in the control system as well as any related improvement measures.

The function-specific statements, collected on the basis of a risk-oriented selection process, included various aspects in accordance with the implemented Three Lines Model. In the first line, documented processes and controls were checked with respect to whether these were in place and had been implemented, as was any communication relating to these elements. Responsibility for guidelines and process flows lies in particular with the second line, which – within the scope of the review of the appropriateness and effectiveness of the internal control and risk management system, including the compliance management system – is generally satisfied with respect to the status of implementation of the regulations, which is done on the basis of spot checks as well as through application of external supporting documentation such as certification in line with the International Organization for Standardization (ISO), the Trusted Information Security Assessment Exchange (TISAX) and the International Automotive Task Force (IATF). These not only reinforce compliance with regulatory provisions, but also underscore the appropriate and effective operation of governance systems implemented at Continental in accordance with industry standards. The function-specific statements were also strengthened this year by formalizing and expanding the ICS. In addition to the financial reporting ICS, key controls underwent a formalized, standardized and risk-oriented review to ensure a holistic ICS within the organization. This review was conducted for a selected part of the organization. Monitoring the ICS and the RMS is one of the core tasks of Group Internal Audit, as the third line. As part of its audits, Group Internal Audit assesses the implementation of risk-control measures and internal controls, conducted with the help of recognized standards and methods. Deviations and weaknesses noted are summarized in a report for the relevant persons responsible, and any improvement measures initiated. Significant risks and potential improvements to internal controls are presented as part of the reporting to the Executive Board and the Audit Committee. The implementation by management of the measures recommended in the course of audits is also monitored by Group Internal Audit and reported to the Executive Board and the Audit Committee.

Based on the statements from the respective functional areas, the assessment of these by Group Internal Audit and the consolidated overall statement by the GRC Committee, no matters have come to the Executive Board’s attention that would suggest that the internal control and risk management system, including the compliance management system, was inappropriate or ineffective in any material respects in fiscal 2024.

The ICS and RMS, including the CMS, of Continental AG is moreover undergoing a continuous process of improvement in order to expand existing processes and controls and meet new regulatory challenges. In the reporting year, this continuous process of improvement included implementing a technical compliance management system (tCMS), further strengthening data compliance, further developing the ICS in the area of sustainability, as well as various measures within the IT organization. Further progress was therefore made on formalizing an integrated ICS in the reporting year. In the course of reorganizing the company, additional measures are being implemented with the aim of improving governance systems, such as strengthening cybersecurity, introducing various measures in the tax area and in sales organizations, and further developing the tCMS. In addition, work is being continued as part of cross-functional projects on adopting a more integrative approach and on increasing transparency within processes and decision-making.

Nevertheless, there are inherent limitations to any ICS or RMS, including the CMS. Even a system considered appropriate and effective does not offer any guarantee that all actual risks or possible violations – in particular, those that are targeted and intentional – will be uncovered in advance or that any process disruptions can be entirely ruled out.

The Audit Committee is systematically involved in monitoring the ICS and RMS, including the CMS. It deals in particular with overseeing the financial reporting process, the effectiveness of the ICS and RMS, as well as the internal audit system.

Opportunity management

As part of our opportunity management activities, we assess market and economic analyses and changes in legal requirements (e.g. with regard to fuel consumption and emission standards as well as safety regulations). In addition, we deal with the corresponding effects on the sectors and markets relevant to us, our production factors and the composition and further development of our product portfolio.

Material Risks

The order of the risk categories and individual risks presented within the four risk groups reflects the current assessment of the relative risk exposure for Continental and thus provides an indication of the current significance of these risks. If no quantitative information on the amount of damage is provided, the assessment is carried out on the basis of qualitative criteria. Unless the emphasis is placed on a specific group sector, the risks apply to all group sectors.

Financial Risks

Continental is exposed to risks in connection with its financing agreements and the syndicated loan.
Continental is subject to risks in connection with its financing agreements. Risks arise from the bonds that Continental AG and Conti-Gummi-Finance B.V., Maastricht, Netherlands, have issued as part of the Debt Issuance Programme (DIP). These financing agreements contain covenants that could limit Continental's capacity to take action as well as change-of-control provisions.

In order to finance current business activities as well as investments and payment obligations, a syndicated loan agreement is in place, from which risks may arise. Under the terms of the syndicated loan agreement, the lenders have the right to demand repayment of the loan in the event of a change of control at Continental AG.

The requirements for and consequences of a change in control in accordance with the terms of the bonds or the syndicated loan agreement are described in detail in the Additional Disclosures and Notes Pursuant to Sections 289a and 315a *HGB* section on pages 73 and 74. The loans and bonds cited here could also immediately become due and payable if other financing agreements of more than €75 million are not repaid on time or are prematurely called for repayment. Continental continuously monitors compliance with the applicable conditions.

The committed volume of the syndicated loan consists of a revolving tranche of €4.0 billion (due in December 2026). As at the end of fiscal 2024, the revolving tranche had not been utilized.

Continental is exposed to risks associated with changes in currency exchange rates and hedging.
Continental operates worldwide and is therefore exposed to financial risks that arise from changes in exchange rates. This could result in losses if assets denominated in currencies with a falling exchange rate lose value and/or liabilities denominated in currencies with a rising exchange rate appreciate. In addition, fluctuations in exchange rates could intensify or reduce fluctuations in the prices of raw materials in euros, as Continental sources a considerable portion of its raw materials in foreign currency. As a result of these factors, fluctuations in exchange rates can influence Continental's earnings situation.

External and internal transactions involving the delivery of products and services to third parties and companies of the Continental Group can result in cash inflows and outflows that are denominated in currencies other than the functional currency of the respective subsidiary of the Continental Group (transaction risk). To the extent that cash outflows of the respective subsidiary of the Continental Group in any one foreign currency are not offset by cash flows resulting from operational business in the same currency, the remaining net exchange-rate risk is hedged on a case-by-case basis using the appropriate derivative instruments, particularly currency forwards, currency swaps and currency options with a term of up to 12 months.

Moreover, Continental is exposed to exchange-rate risks arising from external and internal loan agreements that result in cash inflows and outflows denominated in currencies other than the functional currency of the respective subsidiary of the Continental Group. These exchange-rate risks are in general hedged by using appropriate derivative instruments, particularly currency forwards, currency swaps and cross-currency interest-rate swaps. Any hedging transactions executed in the form of derivative instruments can result in losses.

In order to quantify the possible effects of transaction-related exchange-rate risks from financial instruments on the earnings position of the Continental Group, transaction currencies with a significant exchange-rate risk within the next 12 months are identified based on current net exposure. If the exchange rates of these currencies all develop disadvantageously for Continental at the same time, then the hypothetical negative effect on the Continental Group's earnings position, calculated based on a 10% change in the current closing rate, would amount to between €400 million and €500 million.

Continental is exposed to default risks in connection with cash and cash equivalents, derivative instruments and interest-bearing investments.
In order to minimize the default risk for cash and cash equivalents, derivative instruments and interest-bearing investments, Continental generally uses banks that it has classified as core banks on the basis of defined criteria. As a general rule, these banks should have at least one investment-grade credit rating from one of the global rating agencies. The default risk can therefore be considered very low. The creditworthiness of the core banks – and of other banks with which investments are made, loans are granted or derivative instruments are traded in derogation from the core bank principle for operational or regulatory reasons – is continuously monitored. Not only the credit ratings but also in particular the premiums for insuring against credit default risks (credit default swaps, CDSs) are monitored, provided this information is available. In addition, Continental sets investment limits for each bank and trading limits for derivative instruments. The amount of these limits is based on the creditworthiness of the respective bank. Compliance with these limits is continuously monitored. Within the internally defined risk groups, the cash and cash equivalents, interest-bearing investments and positive (net) fair values of derivative instruments held at banks assigned to a higher risk group amount to around €200 million.

Risks Related to the Markets in which Continental Operates

Continental could be exposed to material risks in connection with a global financial and economic crisis.
With a 62% share of consolidated sales, the automotive industry – with the exception of the replacement business – is Continental's most important customer group. The remainder of its sales are generated in the replacement or industrial markets, mainly in the replacement market for passenger-car and truck tires and to a lesser extent in the non-automotive end markets of the other group sectors.

The year under review was characterized by a weak economic environment and declining automotive production. Should this trend continue or be exacerbated further by a general economic downturn, it would likely adversely affect Continental's sales and earnings.

In the year under review, Continental's five largest OEM customers (BMW, Ford, Mercedes-Benz, Renault-Nissan-Mitsubishi and VW) generated approximately 33% of its sales. If Continental loses one of more of its OEM customers or if supply contracts are terminated prematurely, the original investments made by Continental to supply such products or outstanding receivables from the customers could be wholly or partially lost.

Moreover, Continental generated 49% of its 2024 total sales in Europe and 20% in Germany alone. By comparison, 26% of Continental's total sales in 2024 were generated in North America, 21% in Asia-Pacific and 4% in other countries. Therefore, in the event of a prolonged economic downturn in Europe, particularly in Germany, for example, Continental's business and earnings situation could be affected more extensively than that of its competitors. Furthermore, the automotive and tire markets in Europe and North America are largely saturated. To minimize this dependence, Continental is striving to improve its regional sales balance, particularly by generating more sales in emerging markets and especially in Asia.

Continental is exposed to geopolitical risks.
Current geopolitical developments such as the ongoing war in Ukraine, the conflict in the Middle East and the conflict between China and Taiwan could have a major impact on Continental's sales and procurement markets. These include sanctions and other risks in supply chains as well as unforeseeable effects on the global economy. Continental is constantly monitoring current developments and deriving possible scenarios and necessary measures.

Continental is exposed to risks associated with additional or higher tariffs.
Due to the ongoing trend toward protectionism and escalating trade conflicts around the world, Continental sees itself at risk from additional or higher tariffs on automobiles as well as on the products, components and raw materials it supplies or purchases, both directly and indirectly. These tariffs could cause demand for Continental's products to drop and costs to increase, which would have an adverse effect on Continental's business and earnings situation. With regard to the USA in particular, there is currently uncertainty as to when and to what extent corresponding tariffs and possible countermeasures by other countries can be expected. Continental is continuously examining the possible effects and corresponding measures to minimize risk.

Continental operates in a cyclical industry.
With a 62% share of consolidated sales, the automotive industry – with the exception of the replacement business – is Continental's most important customer group. Global production of vehicles and, as a result, sales to OEMs are subjected to major fluctuations in some cases. They depend, among other things, on general economic conditions, disposable income, and household consumer spending and preferences, which can be affected by a number of factors, including fuel costs as well as the availability and cost of consumer financing. As the volume of automotive production fluctuates, the demand for Continental's products also fluctuates, as OEMs generally do not commit to purchasing minimum quantities from their suppliers or to fixed prices. It is difficult to predict future developments in the markets Continental serves, which also makes it harder to estimate the requirements for production capacity. As Continental's business is characterized by high fixed costs, it is thus exposed to the risk that fixed costs are not fully covered in the event of a prolonged decline in demand and the resulting underutilization of its facilities (particularly in Automotive). Conversely, should the markets in which Continental operates grow faster than anticipated, there could be insufficient capacity to meet customer demand. To reduce the impact of the potential risk resulting from this dependence on the automotive industry, Continental is strengthening its replacement business and industrial business, including by means of acquisitions.

Continental is exposed to fluctuations in the prices of raw materials and electronic components as well as the risk of rising logistics costs.
For the Automotive group sector, higher prices for raw materials and electronic components in particular can result in cost increases. The Tires and ContiTech group sectors mainly use natural and synthetic rubber as well as oil-based raw materials. The prices for these raw materials and components are exposed to sometimes considerable fluctuations worldwide, although the volatility of the prices for metal and crude oil has eased. At present, Continental does not actively hedge the risk of rising prices of electronic components or raw materials by using derivative instruments. Increases in logistics costs can also occur. If the company is not able to compensate for the increased costs or to pass them on to customers, these price increases could reduce Continental's earnings by €100 million to €200 million.

Risks Related to Continental's Business Operations

Continental depends on a limited number of key suppliers for certain products.
Continental is subject to the potential risk of unavailability of certain raw materials and production materials. Although Continental's general policy is to source product components from a number of different suppliers, single sourcing cannot always be avoided and, consequently, Continental is dependent on certain suppliers, in particular with respect to certain products manufactured by Automotive as well as in Tires and ContiTech. Since Continental's procurement logistics are mostly organized on a just-in-time or just-in-sequence basis, supply delays, cancellations, strikes, insufficient quantities or inadequate quality can lead to interruptions in production and therefore have a negative impact on Continental's business operations in these areas. Continental tries to limit these risks by endeavoring to select suppliers carefully and monitor them regularly. However, if one of Continental's suppliers is unable to meet its delivery obligations (e.g. due to insolvency, destruction of production plants as a result of natural disasters or refusal to perform following a change in control), or if corresponding deliveries are affected by sanctions due to geopolitical disputes, Continental may be unable to source input products from other suppliers on short notice at the required volume. Such developments and events can therefore cause delays in the delivery or completion of Continental products or projects and could result in Continental having to purchase products or services from third parties at higher costs or even to financially support its own suppliers. Furthermore, in many cases OEM customers have approval rights with respect to the suppliers used by Continental, which could make it impossible for Continental to source input products from other suppliers upon short notice if the relevant OEM customer has not already approved other suppliers at an earlier point in time and which could lead to order cancellations. Claims for damages on a considerable scale can also not be ruled out. Furthermore, Continental's reputation among OEM customers could suffer, with the possible consequence that they select a different supplier.

Continental is exposed to information-technology risks.
With regard to its business and production processes, its products and its internal and external communication, Continental is highly dependent on centralized and standardized information-technology systems and networks. These systems and networks as well as the products themselves are potentially exposed to the risk of various forms of cybercrime as well as damage and disruption that can have a wide range of other causes. In hacker attacks, third parties could attempt to gain unauthorized access to confidential information and data that is stored, processed or communicated in the systems and networks, or to the systems themselves. In addition, data, products and systems could be blocked, damaged, controlled or destroyed as a result of becoming infected with viruses or malware.

Although Continental has taken appropriate precautions to manage the risks associated with system and network disruptions and corresponding attacks, a prolonged outage in a computer center or telecommunication network or a comparable incident could result in systems or networks becoming unexpectedly unavailable over an extended period. The measures taken to minimize such risks include technical and organizational precautions such as duplicated data storage and contingency plans, as well as suitable training measures that are continuously expanded, particularly to raise awareness of the growing threat from cybercrime. Furthermore, the findings from the investigation into the cyberattack in August 2022 were taken into consideration with respect to strengthening IT systems.

Should the precautions taken prove insufficient to adequately protect the systems, networks, products and information, Continental could suffer considerable damage and disadvantages as a result of outages or the knowledge and use of its information by third parties.

Continental is exposed to risks associated with warranty and product liability claims.
In its quality strategy, Continental has defined the framework conditions for all quality-related activities and ascribes the highest priority to quality. However, Continental is constantly subject to product liability claims and proceedings alleging violations of due care, violation of warranty obligations or material defects, and claims arising from breaches of contract due to recalls or government proceedings. Any such lawsuits, proceedings and other claims could result in increased costs for Continental. Moreover, defective products could result in loss of sales and loss of customer and market acceptance. Such risks are insured up to levels considered economically reasonable by Continental, but its insurance coverage could prove insufficient in individual cases. Additionally, any defect in one of Continental's products (in particular tires and other safety-related products) could also have a considerable adverse effect on the company's reputation and market perception. This could in turn have a negative impact on Continental's sales and income. Moreover, vehicle manufacturers are increasingly requiring a contribution from their suppliers for potential product liability, warranty and recall claims. For example, the MK C2 integrated brake system produced for the BMW Group is currently being partly replaced. Based on the systems that have already been replaced and our current understanding, we continue to assume that only a small proportion of delivered brake systems will actually need to be replaced. In addition, Continental is subject to continuing efforts by its customers to change contract terms and conditions concerning the contribution to warranty and recall cost. Furthermore, Continental manufactures many products pursuant to OEM customer specifications and quality requirements. If the products manufactured and delivered by Continental do not meet the requirements stipulated by its OEM customers at the agreed date of delivery, production of the relevant products is generally discontinued until the cause of the product defect has been identified and remedied. Under certain circumstances, this could lead to losses of sales and earnings. Furthermore, Continental's OEM customers could potentially claim damages, even if the cause of the defect is remedied at a later point in time. Moreover, failure to fulfill quality requirements could have an adverse effect on the market acceptance of Continental's other products and its market reputation in various market segments.

As the quantifiable risks are individual matters, no further disclosures will be made in accordance with IAS 37.92 and GAS 20.154 so as not to adversely affect the company's interests.

Continental is exposed to risks in connection with its pension commitments.
Continental provides defined benefit pension plans in Germany, the USA, the UK and certain other countries. As at December 31, 2024, the pension obligations amounted to €5,632 million. These existing obligations are financed predominantly through externally invested pension plan assets. In 2006, Continental established legally independent trust funds under contractual trust arrangements (CTAs) for the funding of pension obligations of certain subsidiaries in Germany. In 2007, Continental assumed additional CTAs in connection with the acquisition of Siemens VDO. As at December 31, 2024, Continental's net pension obligations (defined benefit obligations less the fair value of plan assets) amounted to €2,540 million.

Continental's externally invested plan assets are funded by externally managed funds and insurance companies. While Continental generally prescribes the investment strategies applied by these funds and takes these into account when selecting external fund managers, it does not have any influence over their individual investment decisions. The assets are invested in different asset classes, including equity, fixed-income securities, real estate and other investment vehicles. The values attributable to the externally invested plan assets are subject to fluctuations in the capital markets that are beyond Continental's influence. Unfavorable developments in the capital markets could result in a substantial coverage shortfall for these pension obligations, resulting in a significant increase in Continental's net pension obligations.

Any such increase in Continental's net pension obligations could adversely affect Continental's financial condition due to an increased additional outflow of funds to finance the pension obligations. Also, Continental is exposed to risks associated with longevity and interest-rate changes in connection with its pension commitments, as an interest-rate decrease could have an adverse effect on Continental's liabilities under these pension plans. Furthermore, certain US-based subsidiaries of Continental have entered into obligations to make contributions to healthcare costs of former employees and retirees. Accordingly, Continental is exposed to the potential risk that these costs may increase in the future.

If the discount rates used to calculate net pension obligations were to decrease by 0.5 percentage points at the end of the year, all other things being equal, this would lead to a rise in net pension obligations of anywhere from €400 million to €500 million, which could not be reduced by taking measures to minimize risk. However, this would not affect EBIT.

Continental is exposed to risks from trade restrictions, sanctions and export controls.
Due to the global alignment of the economic activity of the Continental Group, there are business risks with respect to embargoes, sanctions and export controls. As a global company, Continental also has business relations with customers and partners based in countries that are – or may be in the future – subject to export restrictions, embargoes, economic sanctions or other forms of trade restrictions. In addition to the fundamental influence that such restrictions have on the business activity of the Continental Group, violations of relevant provisions may lead to considerable penalties, administrative sanctions, damage to the company's reputation, as well as claims for damages. Possible risks of such violations are mitigated as part of the export control compliance management system. Furthermore, Continental may also be forced, through new trade restrictions, to limit or put an end to business activity in certain countries or regions.

Continental could be adversely affected by property loss and business interruption.
Fire, natural hazards, terrorism, power failures or other disturbances at Continental's production facilities or within Continental's supply chain – with customers and with suppliers – can result in severe damage and loss. Such far-reaching negative consequences can also arise from political unrest or instability. Due to climate change, the probability of natural hazards, in particular extreme weather events, is expected to continue to rise and the extent of damage to increase. The risks arising from business interruption, loss of production or the financing of facilities are insured up to levels considered economically reasonable by Continental, but its insurance coverage could prove insufficient in individual cases. Furthermore, such events could injure or damage individuals, third-party property or the environment, which could, among other things, lead to considerable financial costs for Continental.

Continental is exposed to risks in connection with its interest in MC Projects B.V.
Continental and Compagnie Financière Michelin SAS, Clermont-Ferrand, France (Michelin), each hold a 50% stake in MC Projects B.V., Maastricht, Netherlands, a company to which Michelin contributed the rights to the Uniroyal brand for Europe as well as for certain countries outside Europe. In turn, MC Projects B.V. licensed to Continental certain rights to use the Uniroyal brand on or in connection with tires in Europe and elsewhere. Under the terms of the agreement concluded in this connection, both the agreement and the Uniroyal license can be terminated if a major competitor in the tire business acquires more than 50% of the voting rights of Continental AG or of its tire business. Furthermore, in this case Michelin also has the right to acquire a majority in MC Projects B.V. and to have MC Projects B.V. increase its minority stake in the manufacturing company Continental Barum s.r.o., Otrokovice, Czech Republic – one of Continental's largest tire plants in Europe – to 51%. These events could have an adverse effect on the business and earnings position of Continental's Tires group sector.

Legal, Tax and Environmental Risks

Continental could be threatened with fines and claims for damages for alleged or actual unlawful behavior.
Despite the compliance management system in place at Continental, the global nature of the Continental Group's business activities means there is a possibility that unlawful behavior (e.g. corruption, fraud, violations of antitrust and competition law, money laundering) could occur in individual cases or that Continental could be accused of unlawful behavior. This alleged or actual unlawful behavior could lead to fines or claims for damages. Significant proceedings in this context are outlined below.

In May 2005, the Brazilian competition authorities (Conselho Administrativo de Defesa Econômica, CADE) opened investigations against Continental's Brazilian subsidiary Continental Brasil Industria Automotiva Ltda., Guarulhos, Brazil (CBIA), following a complaint of anticompetitive behavior in the area of commercialization of tachographs. On August 18, 2010, the Brazilian antitrust authorities determined an "invitation to cartel" and imposed a fine of BRL 12 million (around €2 million) on CBIA, which was then reduced to BRL 11 million (around €2 million). CBIA denies the accusation that it has infringed Brazilian antitrust law. Although the court of first instance appealed to by CBIA upheld the decision, on CBIA's further appeal the next higher court annulled this decision and remanded the matter. In February 2023, the court of first instance rendered a verdict against CBIA and lifted the ban on the enforcement of the financial penalty against CBIA (at that time an amount of around BRL 34 million [around €5 million]). CBIA filed a motion for clarification requesting that the preliminary injunction against enforcement remain in full force up until a final and unappealable ruling is made. This motion was denied, and CBIA filed an appeal against this decision. In December 2024, CBIA participated in an initiative by the Brazilian antitrust authorities (Conselho Administrativo de Defesa Econômica, CADE) to settle the long-standing proceedings without admission of guilt by the company in exchange for a considerable reduction in the fine. Accordingly, CBIA concluded a settlement agreement with CADE under which CBIA must pay BRL 14 million (around €2 million) to CADE in 2025. CBIA has withdrawn its final appeal (on the condition that CADE's settlement measures are finalized). Once the payment has been made and the appeal withdrawn, the case will be closed. Third parties may, in addition, claim damages from CBIA.

On October 2, 2006, South African antitrust authorities received a complaint from a third party accusing several South African tire manufacturers of alleged antitrust behavior, including Continental Tyre South Africa (Pty.) Ltd., Port Elizabeth, South Africa (CTSA), a subsidiary of Continental. On August 31, 2010, the South African antitrust authorities came to the conclusion that CTSA had violated South African antitrust law and referred the matter to the responsible antitrust court for decision. CTSA denies the allegation of infringements of South African antitrust law. However, the tribunal could impose a fine of up to 10% of CTSA's sales. In addition, third parties may also claim damages from CTSA in case of an infringement of South African competition law.

As a result of investigations by the US Department of Justice (DOJ) and the Korea Fair Trade Commission (KFTC) in connection with suspected involvement in violations of US and South Korean antitrust law in the instrument cluster business, which came to light in 2012, the KFTC imposed a fine on Continental Automotive Electronics LLC, Bugang-myeon, South Korea (CAE), at the end of 2013, the final amount of which was set in 2018 at KRW 32,101 million (around €21 million). In the USA, CAE and Continental Automotive Korea Ltd., Seongnam-si, South Korea, agreed in 2015 to pay a fine of US $4 million (approximately €4 million). In the proceedings relating to class action lawsuits filed in the USA and Canada for alleged damages resulting from the antitrust violations, settlements totaling US $5 million (around €5 million) were concluded in the USA in 2018 and settlements totaling around CAN $0.6 million (around €0.4 million) concluded in Canada in 2020. The risk of investigations by other antitrust authorities into this matter and claims for damages by further alleged victims remain unaffected by the fines imposed.

As a result of investigations that came to light in 2014, the European Commission imposed a fine of €44 million on Continental AG; Continental Teves AG & Co. oHG, Frankfurt am Main, Germany; and Continental Automotive GmbH, Hanover, Germany; on February 21, 2018, for the unlawful exchange of information. This involved specific brake components. Continental has paid this fine. Customers have since approached Continental to claim for damages, in some cases for specific amounts. Mercedes-Benz Group AG filed for declaratory judgment action with the Hanover District Court against Continental AG and two other companies of the Continental Group in December 2022, which initially related only to claims from remuneration in 2008/09. This declaratory judgment action was converted to an action for performance in April 2024. In April 2023, several companies of the Stellantis Group as well as several companies of the Renault Group filed a civil lawsuit in each case against Continental AG and two other companies of the Continental Group as well as several ZF and Bosch companies before the High Court in London, United Kingdom. Both the Renault Group and the Stellantis Group have since withdrawn their lawsuits. In addition, two class action lawsuits have been filed in Canada against Continental AG and several of its subsidiaries. These proceedings were settled in November 2024. Final closure of these class action lawsuits is expected in the first half of 2025, subject to court approval. Continental believes that these claims and the lawsuit by Mercedes-Benz are without merit. However, should the lawsuits lead to a judgment against Continental, the resulting expenses could be substantial and exceed the provision set aside for this purpose. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

On March 3, 2021, the Brazilian antitrust authorities (CADE), acting on the basis of the issues addressed by the European Commission and described above, formally initiated proceedings against Continental Teves AG & Co. oHG, Frankfurt am Main, Germany, and certain former employees for alleged unlawful exchange of competition-sensitive information concerning hydraulic brake systems. Continental considers it possible that these proceedings will end with a fine. Continental is therefore unable to predict in any reliable way what the outcome of these proceedings will be. If Continental is found responsible for any violation, CADE could impose a fine on the company of 0.1% to 20% of the revenue generated by the company or by the Continental Group in Brazil in the year prior to when the administrative proceedings were launched (2020). Non-pecuniary penalties may also be possible. Furthermore, customers purportedly affected by the alleged exchange of information could claim for damages if indeed a violation of Brazilian antitrust law is established.

Since 2020, the public prosecutor's office in Hanover has been conducting investigative proceedings against former employees as well as former board members of Continental AG suspected of committing criminal acts and breaches of supervisory duties in connection with the development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers. The fine proceedings conducted by the public prosecutor's office in Hanover against Continental AG and other group companies in this regard were legally concluded in the second quarter of 2024 by payment of a fine totaling €100 million. The company had already made appropriate provisions.

Vitesco Technologies and Continental AG, acting on the basis of and in accordance with contractual provisions, particularly those set forth in the corporate separation agreement concluded as part of the spin-off of Vitesco Technologies, reached an agreement regarding the appropriate allocation of costs and liabilities from the investigations conducted by the public prosecutor's offices in Frankfurt am Main (until the end of 2022) and Hanover. Accordingly, Vitesco Technologies paid Continental €125 million in the third quarter.

As part of industry-wide searches, the European Commission began conducting a search of the premises of Continental AG on January 30, 2024, due to alleged antitrust violations. On the same day, Germany's Federal Cartel Office (Bundeskartellamt) searched the premises of TON Tyres Over Night Trading GmbH, Schondra-Schildeck, Germany, a subsidiary of Continental, also due to alleged industry-wide antitrust violations. Both proceedings are at an early stage. In the event that Continental is responsible for any such violation, the European Commission and the Bundeskartellamt could each impose substantial fines. Furthermore, customers allegedly affected by the alleged exchange of information could claim for damages. In this context, class action lawsuits have already been filed in the USA and Canada against Continental and other tire manufacturers. The lawsuits in the USA have been consolidated before the United States District Court, Northern District of Ohio. The defendant tire manufacturers have filed motions to dismiss the lawsuits and are awaiting the court's decision. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

Since the first half of 2024, a number of Continental Group companies have been investigated by Italian authorities for failure to submit tax returns for tax periods from 2016 onwards. In conjunction with this, in October 2024 the Italian authorities began a company audit of Continental AG as the parent company for the fiscal years 2016 to 2023. Continental is fully cooperating with the investigating authorities and is clarifying this matter internally. Continental has formed provisions to cover any risks in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

On September 24, 2024, the Turkish Competition Authority (TCA) conducted a search of the business premises of Otomotiv Lastikleri Tevzi AS (OLTAS), Istanbul, Türkiye, due to alleged antitrust violations. On December 3, 2024, the TCA published its notice of investigation and initiated an in-depth investigation into the matter. The proceedings are at an early stage. Continental is unable to predict in any reliable way what the outcome of these proceedings will be. In the event that OLTAS is responsible for any violation, the TCA could impose substantial fines. Furthermore, any customers affected by the alleged infringements could claim damages.

There is a risk that Continental could infringe on the industrial property rights of third parties.
There is a risk that Continental could infringe on the industrial property rights of third parties, since its competitors, suppliers and customers also submit a large number of inventions for industrial property protection. It is not always possible to determine with certainty whether there are effective and enforceable third-party industrial property rights to certain processes, methods or applications. Therefore, third parties could assert claims (including illegitimate ones) of alleged infringements of industrial property rights against Continental. As a result, Continental could be required to cease manufacturing, using or marketing the relevant technologies or products in certain countries, or be forced to make changes to manufacturing processes and/or products. In addition, Continental could be liable to pay compensation for infringements or could be forced to purchase licenses to continue using technology from third parties.

Continental, for example, supplies telecommunication modules that transmit vehicle data, enable voice and internet functionality, and are compatible with cellular communication standards. In this respect, there is a risk that Continental may now be dependent on licenses and the conditions under which they are granted to customers in order to use patents relating to these standards (standard essential patents), especially in the field of telecommunications standards such as 3G, 4G or 5G, as Continental was in some cases denied the acquisition of its own licenses in the year under review. Continental has formed provisions to cover the risks of any compensation payments in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

Continental could become subject to additional burdensome environmental or safety regulations, and new regulations could adversely affect demand for the company's products and services.
As a corporation that operates worldwide, Continental must observe a large number of different regulatory systems in numerous countries that change frequently and are continuously evolving and becoming more stringent, particularly with respect to the environment, chemicals and hazardous materials, as well as health regulations. This also applies to air, water and soil pollution regulations and to waste legislation, all of which have recently become more stringent through new laws, particularly in the European Union and the USA. Continental could be affected in particular by greater restrictions on the use of per- and polyfluoroalkyl substances (PFAS). Moreover, Continental's locations and operations necessitate various permits, and the requirements specified therein must be com-

plied with. In the past, adjusting to new requirements has necessitated investments, and Continental assumes that further investments in this regard will be required in the future.

Continental is exposed to risks from legal disputes.
Companies from the Continental Group are involved in a number of legal and arbitration proceedings and could become involved in other such proceedings in the future. These proceedings could involve substantial claims for damages or payments, particularly in the USA. For more information on legal disputes, see Note 36 of the notes to the consolidated financial statements.

Continental could be exposed to tax risks in connection with previous assessment periods.
Continental AG and its subsidiaries operate worldwide and are continuously audited by local tax authorities. Tax estimates made for the financial statements may differ from how these are interpreted by the tax authorities, for example because of changes to tax legislation and the development of case law. Tax risks arise in particular from the valuation of cross-border, intercompany deliveries and services (transfer prices). Through organizational measures, such as monitoring transfer prices and where necessary carrying out bilateral appeals procedures, Continental AG monitors and controls the development of taxation risks and their impact on the consolidated financial statements. Tax processes are continuously adapted to new tax laws and changes to case law.

Continental could be unsuccessful in adequately protecting its intellectual property and technical expertise.
Continental's products and services are highly dependent upon its technological know-how and the scope and limitations of its proprietary rights therein. Continental has obtained or applied for a large number of patents and other industrial property rights that are of considerable importance to its business. The process of obtaining patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide Continental with meaningful protection or commercial advantage. In addition, although there is a presumption that patents are valid, this does not necessarily mean that the patent concerned is effective or that possible patent claims can be enforced to the degree necessary or desired.

A major part of Continental's know-how and trade secrets is not patented or cannot be protected through industrial property rights. Consequently, there is a risk that certain parts of Continental's know-how and trade secrets could be transferred to collaboration partners, customers and suppliers, including Continental's machinery suppliers or plant vendors. This poses a risk that competitors will copy Continental's know-how without incurring any expenses of their own. Moreover, Continental has concluded a number of license, cross-license, collaboration and development agreements with its customers, competitors and other third parties under which Continental is granted rights to industrial property and/or know-how of such third parties. It is possible that license agreements could be terminated under certain circumstances in the event of the licensing partner's insolvency or bankruptcy and/or in the event of a change of control in either party, leaving Continental with reduced access to intellectual property rights to commercialize its own technologies.

Material Opportunities

Unless the emphasis is placed on a specific group sector, the opportunities apply to all group sectors.

There are opportunities for Continental if the economy performs better than anticipated.
If the economy in our major sales regions develops better than anticipated, we expect that demand for vehicles, replacement tires and industrial products will also develop better than we have anticipated. Due to the increased demand for Continental's products among vehicle manufacturers and industrial clients and in the replacement business that would be expected as a consequence, our sales could rise more significantly than expected and there could be positive effects with regard to fixed cost coverage. Particular importance is attached to the European market due to the high share of sales that Continental generates in this region (50%).

There are opportunities for Continental if prices fall on the raw materials markets relevant to us.
Continental's earnings situation is affected to a significant extent by the cost of raw materials, electronic components, logistics and energy. For Automotive, this particularly relates to the cost of electronic components as well as metals and plastics. The earnings situation of Tires and ContiTech is significantly impacted by the cost of oil and of natural and synthetic rubber. If prices for natural and synthetic rubber in particular decline, this could have a positive impact on Continental's earnings, provided sales prices for rubber products remain stable.

The trend toward automated and autonomous driving presents Continental with opportunities.
The trend from assisted driving to automated and autonomous driving is set to continue. Several vehicle manufacturers plan to offer new models with partially automated "Level 2+" and "Level 3" functions over the next few years. A key requirement for partially automated driving is that vehicles are equipped with sensors. To date, between two and seven sensors for assisted driving have been installed per vehicle, depending on their equipment features. Even for partially automated driving, considerably more and also higher-quality radar, camera and LiDAR sensors are required, depending on the scope of the functionality. Since Continental is one of the leading providers of advanced driver assistance systems, the increasing volume of sensors, electronic control units and new software could result in considerable sales and earnings opportunities for the Automotive group sector. Further opportunities are being created for autonomous driving in the commercial vehicle sector in Level 4. Together with its strategic partner Aurora, Continental is working on a scalable solution that could lead to recurring sales and earnings opportunities throughout a truck's entire service life.

There are opportunities for Continental from strategic partnerships, particularly in the Automotive group sector.
Continental is increasingly focusing on strategic partnerships in order to shape the transformation in the automotive sector as efficiently as possible. Examples of this include the strategic partnerships with the technology companies Ambarella and Aurora. Such partnerships allow the companies involved to contribute their expertise and optimize research and development costs, for example. In addition, the strengths of each company can help ensure a higher level of innovation and agility when launching products. Cost optimization and an improved competitive position – thanks to faster time to market, for example – present Continental with opportunities.

The digitalization of vehicles and the services generated as a result present Continental with opportunities.
The massive amounts of data generated by driver assistance systems and driver information systems as well as the immediate processing of this data in vehicles require switching the vehicle architecture to the most cutting-edge high-performance computers. This – together with the new software solutions required for this purpose – results in substantial growth potential for Continental with positive effects on its future sales and attainable margins (e.g. Continental Holistic Motion Control software and Smart Cockpit high-performance computer (HPC); see the Research and Development section). Furthermore, the increasing digitalization of our products gives us the opportunity to offer our customers software-based services and regular software updates in addition to the product itself, and to open up new markets for mobility services.

There are opportunities for Continental from the increasing use of artificial intelligence (AI).
Continental is working on a large number of AI solutions across all group sectors. Some solutions have already been successfully implemented. First, this relates to the products and services customers acquire from Continental. Additionally, it covers solutions that are used within our business areas and central functions. If greater use is made of AI, this could help to further optimize internal processes and increase efficiency. This, in turn, could have a positive impact on earnings. Parallel to this, factors such as faster time to market for our customers can also create opportunities for growth.

Innovations for vehicle interiors present Continental with opportunities.
More and more new products are being used in car manufacturing to optimize interaction between driver and vehicle. For the user experience of the future, Continental has developed countless innovations such as curved digital 3D displays and temporarily hidden displays. With customer-specific solutions for interior sensor technology and surfaces, Continental is also increasing safety and ease of use within the vehicle (e.g. Invisible Biometrics Sensing Display; see the Research and Development section). Since intelligent concepts for new experiences in the vehicle interior are becoming more and more important for car buyers, and Continental is one of the leading providers of these, increasing demand among car manufacturers could result in considerable sales and earnings opportunities.

The tire business presents Continental with opportunities.
Continental intends to further increase its market share in the growth markets of Asia and North America in particular. In the passenger-car tire segment, the global business with tires for electric mobility and ultra-high-performance tires is to be systematically expanded. The truck and bus tire business is to be further developed in all regions through Conti360° fleet services. Continental's specialty tire business, which includes not only two-wheel and racing tires but also tires for a variety of industrial applications, is expected to see additional growth as well. Smart, digital tire solutions, such as the latest ContiConnect generation of sensors, will also make a contribution to ambitious sustainability goals and differentiation in the market. The market launch of the Conti EfficientPro 5 original-equipment tire for trucks and buses is one example of this (see the

Research and Development section). In the area of service-based digital solutions, the Tires group sector of Continental aims to become the leading supplier worldwide by 2030. If Continental succeeds in increasing its market share in high-growth segments and in digital solutions and services even more than planned, this is likely to have positive effects on its sales and earnings.

Greater focus on the industrial business presents Continental with opportunities.
With a possible sale of the Original Equipment Solutions (OESL) business area, the ContiTech group sector is planning to focus on, and in turn strengthen, its profitable industrial business. Growth potential in the industrial business results primarily from the increasing demand for sustainable as well as digital and intelligent solutions. In this regard, the ContiTech group sector draws on its long-standing and detailed knowledge of the industry and materials to open up new business opportunities. This involves combining a wide range of materials with electronic components and individual services. Continental is also showcasing how sustainable surface solutions can be used in vehicle interiors (e.g. materials such as Xpreshn; see the Research and Development section). If these new products become established more quickly than planned, this would create corresponding sales and earnings opportunities for Continental.

There are opportunities for Continental from changes in the legal framework.
Legal regulations with the aim of further improving traffic safety provide an opportunity for rising demand for Continental's products. Based on our broad product portfolio for active vehicle safety, we have developed a wide range of advanced safety systems in recent years. Further volume growth is expected as a result of more stringent requirements in various regional safety tests, since an increasing number of safety systems have been recognized as having achieved the very highest level of safety. In addition, more and more legal requirements in individual countries are being expanded to include active safety systems.

Statement on Overall Risk and Opportunities Situation

In the opinion of the Executive Board, the overall risk situation of the Continental Group has not changed significantly in the past fiscal year.

It remains to be seen to what extent and for how long current geopolitical events, and in particular the associated ongoing tariff disputes, will continue to affect the automotive industry and the macroeconomic situation.

However, the analysis for the year under review did not reveal any risks, either at the end of the reporting period or at the time the annual financial statements were prepared, that individually or collectively pose a threat to the company or the Continental Group as a going concern. In the opinion of the Executive Board, there are also no discernible risks to the Continental Group as a going concern in the foreseeable future.

Considering the material opportunities, the overall risk assessment for the Continental Group presents a reasonable risk and opportunities situation, to which our risk-containment measures and our corporate strategy have been aligned accordingly.

Report on Expected Developments
Future General Conditions

Forecast of Macroeconomic Development

In its World Economic Outlook Update (WEO Update) of January 2025, the International Monetary Fund (IMF) expects the global economy to grow by 3.3% in 2025. Its forecast of slightly higher growth than in 2024 reflects the expectation that inflation will continue to fall in a stabilizing global economy. However, the IMF sees divergences across individual countries.

According to the IMF, Europe is likely to continue to be characterized by subdued growth in 2025, hampered by weak production figures and exports on the back of sluggish demand. For the eurozone, the IMF therefore expects gross domestic product (GDP) to rise by just 1.0% in 2025, including GDP growth in Germany of 0.3%. For the UK, it expects GDP to increase by 1.6%.

For the USA, the IMF expects GDP growth of 2.7% in 2025, propped up by a business-friendly policy in the form of deregulation and the Federal Reserve's less restrictive monetary and fiscal policy.

Japan's economy is expected to return to higher growth rates in 2025 after the previous year was severely impacted by supply disruptions. The IMF expects its GDP to grow by 1.1% in 2025.

For India, the IMF forecasts a high GDP growth rate of 6.5%, as in 2024. Continued strong development is also expected in China as a result of fiscal policy support, with the IMF currently estimating GDP growth of 4.6%.

In other emerging and developing countries, the IMF expects weaker economic development in 2025 than in 2024. In Brazil, for example, it anticipates a 2.2% increase in GDP.

The IMF's forecast is based on the assumption that energy prices will decline in 2025 and interest rates will continue to fall in major economies.

The IMF also points toward a number of opportunities and risks. Further disinflation could have a positive effect, as could a greater than expected fall in energy prices. Significant risks from the IMF's perspective include the tense geopolitical situation and increasing protectionism, for instance in the form of tariffs, trade tensions and reduced market efficiency. This would bring with it a rise in the price of raw materials and disruptions to global supply chains. Furthermore, a renewed increase in inflation could prompt central banks to raise interest rates.

Forecast for Key Customer Sectors and Sales Regions

Forecast for production of passenger cars and light commercial vehicles

We currently expect the global production of passenger cars and light commercial vehicles weighing less than 6 metric tons to be roughly on a par with the previous year and develop by -1% to 1% in 2025.

In the first half of 2025, we expect a global production volume of around 44 million units, which should improve slightly in the second half of the year, particularly due to the momentum of the Chinese market.

However, this outlook is subject to uncertainty due to the tense geopolitical situation and the uncertain development of demand, particularly in Europe.

Changes to vehicle production, the tire-replacement business and industrial production in 2025 (compared with 2024)

Passenger cars and light commercial vehicles	Vehicle production	Tire-replacement business
Europe	-5% to -3%	0% to 2%
North America	-3% to -1%	0% to 2%
China	1% to 3%	1% to 3%
Worldwide	**-1% to 1%**	**0% to 2%**

	Industrial production
Eurozone	-1% to 1%
USA	0% to 2%
China	4% to 6%

Medium and heavy commercial vehicles	Vehicle production	Tire-replacement business
Europe	2% to 4%	0% to 2%
North America	-2% to 0%	-2% to 1%

Sources:
Vehicle production (Europe with Western, Central and Eastern Europe incl. Russia and Türkiye): S&P Global and own estimates.
Tire-replacement business (Europe with Western, Central and Eastern Europe (excl. Russia) and Türkiye): own estimates.
Industrial production: Bloomberg and own estimates.

In Europe, we anticipate a decline in the production of passenger cars and light commercial vehicles of 3% to 5% in 2025. In North America, we also expect a decline in production of 1% to 3%. In China, we expect an increase in production volumes for passenger cars and light commercial vehicles of 1% to 3% in 2025.

Forecast for production of medium and heavy commercial vehicles

According to our estimates, the production of commercial vehicles weighing more than 6 metric tons in our core market of Europe will develop much more positively in 2025, with a rise of 2% to 4% currently expected. In North America, we expect figures to remain stable or decline, with a development between 0% and -2%.

Forecast for replacement-tire markets for passenger cars and light commercial vehicles

In 2025, we currently expect a slight recovery in demand for replacement tires for cars and light commercial vehicles weighing less than 6 metric tons in the range of 0% to 2%, following weak development in 2024.

Both in Europe and North America, we currently expect volumes to increase by 0% to 2%. In China, we expect a somewhat stronger recovery in demand of 1% to 3%.

Forecast for replacement-tire markets for medium and heavy commercial vehicles

In 2025, we currently expect demand for replacement tires for medium and heavy commercial vehicles in our core market of Europe to develop by 0% to 2%.

In North America, we currently expect demand to develop by -2% to 1%.

Forecast for industrial production

In the eurozone, we currently expect industrial production in 2025 to be roughly on a par with the previous year.

In the USA, we expect industrial production to rise slightly year-on-year, by between 0% and 2%.

In China, we expect a continued increase in industrial production of 4% to 6%.

Outlook for the Continental Group

Forecast process
Each year, Continental forecasts the values of key performance indicators for the Continental Group for the new fiscal year. These include sales and the adjusted EBIT margin for the Continental Group and for the Automotive, Tires, ContiTech and Contract Manufacturing group sectors.

In addition, we provide information on the assessment of important factors influencing earnings before interest and tax (EBIT). These include the expected development of special effects and the amount of amortization from purchase price allocations. We thus allow the Continental Group's expected EBIT to be estimated.

Furthermore, we give an assessment of the development of the financial result before effects from currency translation and before effects from changes in the fair value of derivative instruments, and other valuation effects, as well as the tax rate for the Continental Group. This allows a reconciliation to expected net income. We also publish a forecast of the capital expenditures planned for the current year and the adjusted free cash flow. Our forecast is based on our expectations regarding the most important production and sales markets in the new fiscal year.

We publish our forecast as part of our annual press conference and the publication of our annual report. It is continually reviewed over the course of the fiscal year. Possible changes to the forecast are described at the latest in the report for the respective quarter.

Comparison of the past fiscal year against forecast
In our forecast for fiscal 2024, which we published in March 2024, we expected the global production of passenger cars and light commercial vehicles to be roughly on a par with the previous year, with a negative development expected in our core market of Europe.

The outlook took into account the tense geopolitical situation and its expected impact on production volumes in 2024.

Higher costs for wages and salaries – amounting to around €0.5 billion – were also expected to weigh heavily on our earnings position, with around half of these costs attributable to the Automotive group sector.

Based on the above assumptions as well as on the exchange rates at the beginning of the fiscal year, we expected the following key financial figures for fiscal 2024:

- We expected the Continental Group to achieve sales in the range of around €41.0 billion to €44.0 billion and an adjusted EBIT margin of around 6.0% to 7.0%.
- We expected our Automotive group sector to achieve sales of around €20.0 billion to €22.0 billion. We expected the adjusted EBIT margin to be around 3.0% to 4.0%.
- We expected our Tires group sector to achieve sales of around €14.0 billion to €15.0 billion and an adjusted EBIT margin of around 13.0% to 14.0%.
- We expected our ContiTech group sector to achieve sales of around €6.6 billion to €7.0 billion and an adjusted EBIT margin of around 6.5% to 7.5%.
- In our Contract Manufacturing group sector, we anticipated sales of around €200 million to €300 million and an adjusted EBIT margin of around 0%.
- Consolidated amortization from purchase price allocations was expected to be around €100 million and affect mainly the Automotive and ContiTech group sectors.
- In addition, we expected negative special effects of around €450 million.
- In 2024, we expected the negative financial result to be around €350 million before effects from currency translation, effects from changes in the fair value of derivative instruments, and other valuation effects.
- The tax rate was expected to be around 27%.
- The capital expenditure ratio was expected to be around 6.0% to 7.0% of sales in fiscal 2024.
- In 2024, we were planning on adjusted free cash flow of approximately €0.7 billion to €1.1 billion.

The outlook remained unchanged in the quarterly statement for the first quarter of 2024.

In the half-year financial report, we adjusted our outlook for fiscal 2024 due to the following factors:

- We expected the global production of passenger cars and light commercial vehicles to decline by 1% to 3% year-on-year.

Assuming exchange rates would not change significantly as the year progressed, this meant that the following adjustments were made to the outlook for fiscal 2024:

- Consolidated sales were expected to be in the range of around €40.0 billion to €42.5 billion, and the adjusted EBIT margin was expected to be around 6.0% to 7.0%.
- For the Automotive group sector, sales were expected to be around €19.5 billion to €21.0 billion, with an adjusted EBIT margin of around 2.5% to 3.5%.
- For the Tires group sector, sales were expected to be around €13.5 billion to €14.5 billion, with an adjusted EBIT margin of around 13.0% to 14.0%.
- We expected our ContiTech group sector to achieve sales of around €6.6 billion to €7.0 billion and an adjusted EBIT margin of around 6.5% to 7.0%.
- We expected negative special effects of around €350 million.

- Adjusted free cash flow was expected to be around €0.6 billion to €1.0 billion.

The other parts of the outlook remained unchanged.

In the quarterly statement for the third quarter of 2024, we adjusted the following estimate:

- We expected the industrial business worldwide to remain sluggish.

With respect to the key financial figures, we made the following changes:

- Consolidated sales were expected to be in the range of around €39.5 billion to €42.0 billion, and the adjusted EBIT margin was expected to be around 6.0% to 7.0%.

- We expected our ContiTech group sector to achieve sales of around €6.2 billion to €6.6 billion and an adjusted EBIT margin of around 5.8% to 6.3%.

- The tax rate was expected to be around 30%. The higher calculated tax rate compared with the previous assumption was mainly due to the allocation of net income to the different countries in relation to comprehensive income. Tax charges that are not directly dependent on income also continued to have an effect. These include foreign (minimum) taxes with deviating bases of assessment as well as foreign withholding taxes that are not deductible in Germany. Added to this were tax risks in connection with ongoing criminal tax investigations by Italian authorities. As a precautionary measure, provisions were set aside for likely financial charges in this regard.

All other parts of the outlook remained unchanged.

Owing to our operating performance in the fourth quarter, we achieved the following results for fiscal 2024:

- The Continental Group generated sales of €39.7 billion and an adjusted EBIT margin of 6.8%.

- The Automotive group sector generated sales of €19.4 billion and an adjusted EBIT margin of 2.3%.

- The Tires group sector generated sales of €13.9 billion and an adjusted EBIT margin of 13.7%.

- The ContiTech group sector generated sales of €6.4 billion and an adjusted EBIT margin of 6.2%.

- The Contract Manufacturing group sector generated sales of €0.2 billion and an adjusted EBIT margin of 2.9%.

- Total consolidated expense from special effects amounted to €300 million in 2024.

- Amortization from purchase price allocations was €109 million.

- In the year under review, the negative financial result amounted to €346 million before effects from currency translation and before effects from changes in the fair value of derivative instruments, and other valuation effects.

- Income tax expense for fiscal 2024 amounted to €689 million. The tax rate was 36.5%.

- The capital expenditure ratio was 5.5%.

- Adjusted free cash flow was €1,052 million in 2024 and therefore slightly above our forecast range of €0.6 billion to €1.0 billion in the quarterly statement for the third quarter of 2024.

Order situation

The order situation in our Automotive group sector continues to be characterized by weak production figures, delayed production launches and the transformation of the automotive industry. In total, orders amounting to around €19 billion were acquired in fiscal 2024 (PY: €27 billion). This figure includes expected sales over the entire duration of the delivery, known as lifetime sales. These are based primarily on assumptions regarding production volumes of the respective vehicle or engine platforms, the expected and agreed cost adjustments, and the development of key raw material prices.

The replacement-tire business accounts for a large portion of the Tires group sector's sales, which is why it is not possible to calculate a reliable figure for order volumes.

The same applies to the ContiTech group sector, which has business areas operating in various markets and industrial sectors, each in turn with their own relevant factors. Consolidating the order figures from the various business areas of the ContiTech group sector would thus be meaningful only to a limited extent.

Outlook for fiscal 2025

As mentioned on page 90 of the report on expected developments, we expect the global production of passenger cars and light commercial vehicles in 2025 to be roughly on a par with the previous year, with a negative development expected in our core markets of Europe and North America.

This outlook takes into account the current tense geopolitical situation and its expected impact on production volumes in 2025. It does not take into account potential significant changes to global tariffs, however.

Comparison of forecasts for the group sectors of Continental for fiscal 2024

	Automotive		Tires		ContiTech		Contract Manufacturing	
	Sales (€ billions)	Adjusted EBIT margin (%)	Sales (€ billions)	Adjusted EBIT margin (%)	Sales (€ billions)	Adjusted EBIT margin (%)	Sales (€ billions)	Adjusted EBIT margin (%)
Annual press conference on March 7, 2024	~ 20.0 – 22.0	~ 3.0 – 4.0	~ 14.0 – 15.0	~ 13.0 – 14.0	~ 6.6 – 7.0	~ 6.5 – 7.5	~ 0.2 – 0.3	~ 0
Half-year financial report as at August 7, 2024	~ 19.5 – 21.0	~ 2.5 – 3.5	~ 13.5 – 14.5	~ 13.0 – 14.0	~ 6.6 – 7.0	~ 6.5 – 7.0	~ 0.2 – 0.3	~ 0
Quarterly statement as at November 11, 2024	~ 19.5 – 21.0	~ 2.5 – 3.5	~ 13.5 – 14.5	~ 13.0 – 14.0	~ 6.2 – 6.6	~ 5.8 – 6.3	~ 0.2 – 0.3	~ 0
2024 annual report	**19.4**	**2.3**	**13.9**	**13.7**	**6.4**	**6.2**	**0.2**	**2.9**

Comparison of key forecast elements for the Continental Group for fiscal 2024

	Continental Group				
	Sales (€ billions)	Adjusted EBIT margin (%)	Special effects (€ billions)	Investments (in % of sales)	Adjusted free cash flow (€ billions)
Annual press conference on March 7, 2024	~ 41.0 – 44.0	~ 6.0 – 7.0	~ –0.45	~ 6.0 – 7.0	~ 0.7 – 1.1
Half-year financial report as at August 7, 2024	~ 40.0 – 42.5	~ 6.0 – 7.0	~ –0.35	~ 6.0 – 7.0	~ 0.6 – 1.0
Quarterly statement as at November 11, 2024	~ 39.5 – 42.0	~ 6.0 – 7.0	~ –0.35	~ 6.0 – 7.0	~ 0.6 – 1.0
2024 annual report	**39.7**	**6.8**	**–0.30**	**5.5**	**1.1**

All figures take into account the exceptions and definitions specified in each case in the comparison against forecast.

Based on the above assumptions as well as on the exchange rates at the beginning of the fiscal year, we expect the following key financial figures for fiscal 2025:

- We expect the Continental Group to achieve sales in the range of around €38.0 billion to €41.0 billion and an adjusted EBIT margin of around 6.5% to 7.5%.
- We expect our Automotive group sector to achieve sales of around €18.0 billion to €20.0 billion. We expect the adjusted EBIT margin to be around 2.5% to 4.0%.
- We expect our Tires group sector to achieve sales of around €13.5 billion to €14.5 billion and an adjusted EBIT margin of around 13.3% to 14.3%.
- We expect our ContiTech group sector to achieve sales of around €6.3 billion to €6.8 billion and an adjusted EBIT margin of around 6.0% to 7.0%.
- In our Contract Manufacturing group sector, we anticipate sales of around €100 million to €200 million and an adjusted EBIT margin of around 0%.
- Consolidated amortization from purchase price allocations is expected to be around €100 million and affect mainly the Automotive and ContiTech group sectors.
- In addition, we anticipate negative special effects of around €700 million.
- In 2025, we expect the negative financial result to be around €350 million before effects from currency translation, effects from changes in the fair value of derivative instruments, and other valuation effects.
- The tax rate is expected to be around 27%.
- The capital expenditure ratio is expected to be around 6.0% of sales in fiscal 2025.
- In 2025, we are planning on adjusted free cash flow of approximately €0.8 billion to €1.2 billion.

Sustainability Report

Introduction

This sustainability report represents the Group Sustainability Report, which was prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and in full application of the European Sustainability Reporting Standards (ESRS). This sustainability report also contains the combined non-financial statement in accordance with Sections 289b to 289e and 315b to 315c of the German Commercial Code (Handelsgesetzbuch – HGB) for the Continental Group and Continental AG, for fiscal 2024.

This sustainability report contains the information to be disclosed for fiscal 2024 in accordance with Art. 8 of EU Taxonomy Regulation (EU) 2020/852 in conjunction with Art. 10 (2) of Delegated Regulation (EU) 2021/2178 of the Commission.

This sustainability report was subject to a limited assurance by the independent auditor. The auditor's report of the sustainability report can be found on page 220 ff. of this annual report.

Combined Non-Financial Statement

Due to the legal uncertainties arising from the lack of implementation of the CSRD into German law at the time of reporting, the Executive Board of Continental AG, in coordination with the Supervisory Board, has decided to fully apply, for the first time, the ESRS resulting from the CSRD as a framework in accordance with Section 315c (3) in conjunction with Section 289d HGB for preparing the combined non-financial statement in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e HGB. The information for Continental AG pursuant to Sections 289b to 289e HGB is thus also fulfilled. For Continental AG as the parent company of the Continental Group, no separate framework in accordance with Section 289d HGB was used, as the approaches, results, targets, performance indicators and risks reported for the Continental Group also apply equally to the parent company. Therefore, no further information beyond that reported for the Continental Group is required. Accordingly, Continental does not consider the use of a framework for the parent company to be useful.

Continental points out general uncertainties with regard to interpretation issues in the use of the ESRS as a framework for non-financial statements.

The following information refers to the respective sections and subsections of the sustainability report and the management report in general, in which the information for the combined non-financial statement as required by HGB can be found.

A description of the Continental Group's business models can be found in the General disclosures (ESRS 2) section of this sustainability report in the subsection Strategy, business model and value chain and in the Corporate profile section of the management report under Structure of the Continental Group.

Environmental matters

The approaches pursued by Continental with regard to environmental matters are described in the management approaches as follows:

- Scope 1 and Scope 2 emissions, Scope 3 emissions, portfolio resilience and transition, Climate change adaptation, Supply chain resilience and transition in the Climate change (ESRS E1) section,
- Environmental protection in own operations, Environmental protection in the supply chain, Product-related aspects regarding environmental protection and Substances of concern and very high concern in the Pollution (ESRS E2) section,
- Responsible purchasing and upstream value chain and Downstream value chain in the Biodiversity and ecosystems (ESRS E4) section, and
- Circularity and waste in own operations in the Resource use and circular economy (ESRS E5) section.

The results of the approaches pursued in relation to environmental matters are described as part of the impacts, risks and opportunities as well as the metrics in the sections on Climate change (ESRS E1), Pollution (ESRS E2), Biodiversity and ecosystems (ESRS E4) and Resource use and circular economy (ESRS E5).

Employee matters

The approaches pursued by Continental with regard to employee matters are described in the management approaches as follows:

- Labor standards, Adequate wages, Work-life balance, Training and skill development, Secure employment and social dialogue, Employee privacy and Occupational safety and health in the Own workforce (ESRS S1) section, and
- Workers in the value chain in the Workers in the value chain (ESRS S2) section.

The results of the approaches pursued in relation to employee matters are described as part of the impacts, risks and opportunities as well as the metrics in the sections Own workforce (ESRS S1) and Workers in the value chain (ESRS S2).

Social matters

The approaches pursued by Continental with regard to social matters are described in the management approaches as follows:

- Affected communities in the Affected communities (ESRS S3) section, and
- Technical and product compliance and Safe mobility in the Consumers and end-users (ESRS S4) section.

The results of the approaches pursued in relation to social matters are described as part of the impacts, risks and opportunities as well as the metrics in the sections Affected communities (ESRS S3) and Consumers and end-users (ESRS S4).

Respect for human rights

The approaches pursued by Continental with regard to respect for human rights are reflected in the management approaches as follows:

- Labor standards, Adequate wages, Work-life balance, Training and skill development, Secure employment and social dialogue, Employee privacy and Occupational safety and health in the Own workforce (ESRS S1) section,
- Workers in the value chain in the Workers in the value chain (ESRS S2) section and Affected communities in the Affected communities (ESRS S3) section, and
- Technical and product compliance and Safe mobility in the Consumers and end-users (ESRS S4) section.

The results of the approaches pursued with regard to respect for human rights are described as part of the impacts, risks and opportunities as well as metrics in the sections Own workforce (ESRS S1), Workers in the value chain (ESRS S2), Affected communities (ESRS S3) and Consumers and end-users (ESRS S4).

Anti-corruption and anti-bribery matters

The approach pursued by Continental with regard to anti-corruption and anti-bribery matters is described in the management approaches in the Business conduct and corporate governance (ESRS G1) section.

The results of the approach pursued with regard to anti-corruption and anti-bribery matters are described as part of the impacts and risks as well as metrics in the Business conduct and corporate governance (ESRS G1) section.

Material risks

For a description of non-financial risks and how they are managed, please refer to the Risks and Opportunities report in this management report. Beyond this scope, no additional non-financial risks were identified in accordance with Section 289c (3) HGB. The risks and opportunities described in the topic-related sections of the sustainability report are based on the application of the ESRS framework and the definition of double materiality anchored therein, and therefore explicitly go beyond the definition in the HGB.

Performance indicators

Non-financial and sustainability-related performance indicators in accordance with HGB are defined as part of the key performance criteria in the remuneration system in the Corporate profile section of the management report under Sustainability management. These do not constitute the most significant non-financial performance indicators within the meaning of Section 289c (3) HGB. The most significant key performance indicators for the Continental Group consist exclusively of financial indicators, and can be found in the Corporate management and Outlook for the Continental Group sections of this management report.

Correlations with the consolidated financial statement

Where necessary for an understanding of the context, reference is made in this sustainability report to the figures and additional explanations provided in the consolidated financial statements.

General Disclosures (ESRS 2)

Notes on Applying the ESRS

General basis for preparation of the sustainability report
This report was prepared in accordance with the European Sustainability Reporting Standards (ESRS).

For the preparation of this report and based on the set of required formal and content requirements, subject matter experts were identified for quantitative disclosures and qualitative disclosures. The content of the sustainability report was prepared by the relevant subject matter experts and then consolidated and reviewed by the Group Sustainability group function. The report was formally approved as part of the overall financial reporting process. Operational supervision is exercised by the Sustainability Steering Committee, of which also the Executive Board of the Continental Group is a member. Sustainability reporting also falls under the supervision of the Supervisory Board. Further information on supervision can be found in the subsection Consideration of sustainability matters in corporate supervision.

The reported metrics are based on specific definitions, assumptions, and calculations methods. These are presented directly in conjunction with the respective metrics, if relevant. In this regard, it should be noted that especially modelled metrics are subject to uncertainty.

The statement in accordance with ESRS 2.77 that metrics are not subject to validation by an external body other than the independent auditor has not been repeated for each individual metric, as this applies to every metric.

When applying the ESRS, the terminology of the ESRS is used as a general rule while also taking into account terminology comprehensibility and consistency within the management report as well as any existing and potential further adjustments to the ESRS. For example, the terms used include management approach instead of policy, and key actions for target achievement instead of actions and resources as well as Business Conduct and Corporate Governance instead of only Business Conduct (as section headline).

Continental furthermore points out some general uncertainties with regard to the first time application of the ESRS.

Scope of Consolidation
The sustainability report has been created on a consolidated basis for the entire Continental Group.

In principle, Continental applies the same scope of consolidation for this report as for the consolidated financial statements. This sustainability report therefore covers Continental AG and all its subsidiaries (collectively referred to as Continental or the Continental Group).

All disclosures in this report relate to the fiscal year from January 1 to December 31, 2024. Where relevant, information up until the actual publication of this report has been considered.

An overview of the relevant data points that derive from other European legislation and where they can be found in this sustainability report has been included in the Overviews and indexes in accordance with ESRS 2 section.

Upstream and downstream value chain
Continental's upstream and downstream value chains have been included in the preparation of the sustainability report and the assessment of impacts, risks and opportunities. This includes in particular the consideration of supply chains (see for example impact 18) or the product use phase (see for example 19). The impacts, risks and opportunities material for Continental that follow the materiality analysis in relation to the value chain are presented in the Details of the material impacts, risks and opportunities subsection and described in the topic-related subsections, including the respective management approaches.

Omissions
Continental has not omitted a specific piece of information relating to intellectual property, know-how or the results of innovation.

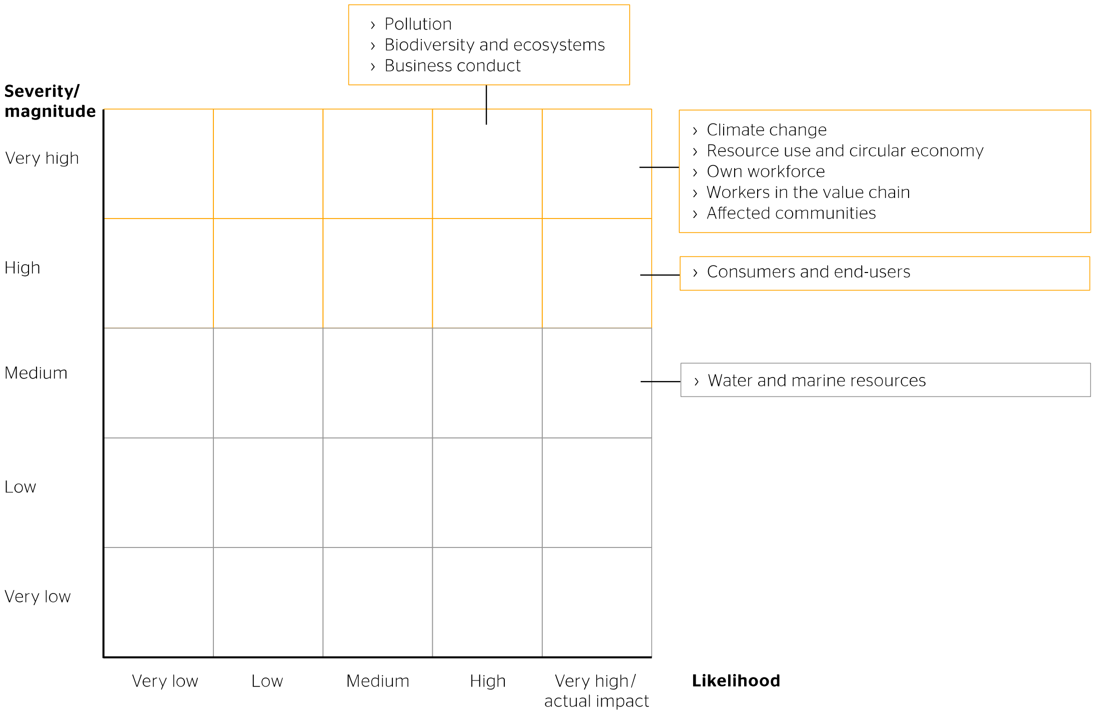
Continental has not made use of the exemption provided for in Article 19a (3) and Article 29a (3) of Directive 2013/34/EU and Section 289e HGB for the disclosure of imminent developments or matters under negotiation.

Disclosures due to other legislation on sustainability reporting
This sustainability report constitutes, at the same time, the combined non-financial statement in accordance with Sections 289b to 289e and 315b and 315c in conjunction with Sections 289b to 289e HGB, for the Continental Group and Continental AG, for fiscal 2024. Relevant information that goes beyond the ESRS disclosures can be found the section Combined non-financial statement at the beginning of this sustainability report.

Overview of Material Impacts, Risks and Opportunities

Continental has identified and assessed the material actual and potential negative and positive impacts, risks and opportunities (IRO). The detailed results are described in the Details of material impacts, risks and opportunities subsection as well as in the respective topic-related subsections. The methodology of the assessment is further described in the Process for identifying and assessing material IRO subsection.

Material sustainability matters of Continental (on topic level)



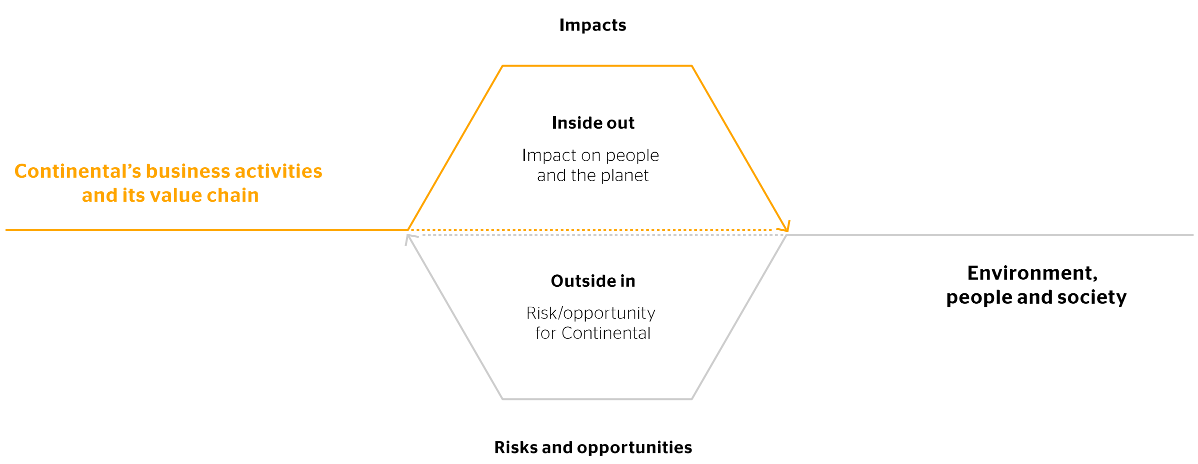
Material for reporting Not material for reporting

The integration of impacts, risks and opportunities into the strategy and the business model is carried out in accordance with the control processes and management approaches described in the Governance subsection of this section and in the respective topic-related sections.

Process for Identifying and Assessing Material IROs

Description of methodology and assumptions
Continental assesses its impacts, risks and opportunities according to the ESRS methodology requirements on double materiality (IRO assessment). Continental's 2024 IRO assessment has been conducted simultaneously with both impact materiality (inside-out) and financial materiality (outside-in) perspectives.

Double materiality principle



Identification and creation of the longlist of IROs
The list of sustainability matters of the ESRS 1.AR16 formed the starting point of the identification of impacts, risks and opportunities. In addition for risks and opportunities, certain event types (e.g. fines, loss of sales or growth of sales) were considered. These initial scenarios and descriptions of IROs have been identified at topic, sub-topic or sub-sub-topic level and have been aggregated whenever it was relevant and appropriate considering Continental's business activities, value chain, geographical location, industries, and business models. Company-specific aspects were also considered, all of which could be assigned to the predefined list of sustainability matters. These scenarios specify the matters further for Continental's value chain and were partially split into individual scenarios for own operations, upstream and/or downstream value chain, whenever relevant.

Initial gross assessment
In an initial step, the IRO scenarios were centrally assessed from a gross perspective. The gross perspective assesses impacts, risks and opportunities in a scenario that does not yet consider the existing management approaches of Continental, as described in the respective topic-related sections. This initial gross assessment comprised various assessments of the severity and magnitude of the effect as well as the likelihood. This assessment was based on the judgement and sustainability expertise of subject matter experts at Group level.

Validation and assessment
In a second step, the longlist of IRO scenarios was assessed from the perspectives of relevant stakeholders. In multiple workshops, different functions of Continental acted as proxies of internal and external affected stakeholders, subject matter experts and/or users of sustainability information. The participants of the workshops received the longlist and further information on the methodology in advance of the workshops and were trained in the methodology during the workshops.

Each workshop included a validation, update and/or extension of the longlist. The IRO scenarios were then defined in greater detail, the gross assessment was validated or updated as appropriate, further information was collected and an initial net assessment was made. The net assessment considers the management approaches of Continental, as described in the respective topic-related sections.

The assessments in the workshops also took the following into account:

- Dependencies on the availability of natural, human, and social resources at appropriate prices and in adequate quality, independent of the potential impacts on those resources
- A primarily relevant time horizon for the definition of IRO scenarios and potential consequences
- Sectors and/or geographical locations where relevant
- External studies and other scientific evidence
- External data (e.g. country risk analyses and industry risk analyses)
- Specific data for Continental or Continental's value chain (e.g. Scope 3 greenhouse gas emissions)

Consolidation
In an iterative approach based on the assessments during the workshops, an initial consolidation has been prepared by Group Sustainability in close coordination with Group Risk Management. The consolidation was completed especially based on the outcomes of all individual workshops as well as cross-checks with Continental's general risk assessment.

The materiality threshold has been set after the consolidation of IRO assessments. The materiality of negative impacts and risks was assessed based on the gross perspective to consider where it is relevant to have adequate management approaches and report on them. The materiality of positive impacts as well as of opportunities was assessed based on the net perspective to consider where existing management approaches can contribute to these impacts and opportunities. From an overarching perspective, the materiality threshold for the gross assessment of the severity of negative impacts and risks and for the net assessment of the magnitude of the effect of positive impacts and opportunities was set at high and very high ratings (see the scales used under Impact materiality and financial materiality). Regarding the likelihood of occurrence, no threshold was applied. In cases where an IRO was flagged as a focus topic for the relevant users of Continental's sustainability information, this IRO has also been evaluated as material and included in the reporting.

Revalidation and formal confirmation
As part of the iterative approach and until finalization of the report, the assessment was validated and updated where required, based on relevant new knowledge or relevant new developments and events. The re-validated assessment was formally confirmed by Continental's Sustainability Steering Committee.

In conclusion, Continental has identified more than 150 IROs and evaluated 75 as material. More details on the individual material IROs can be found under the individual topic-related sections in the Material impacts, risks and opportunities subsections.

In the IRO assessment, Continental incorporated a set of methodologies and assumptions that reflect both current and projected developments on the basis of profound expert judgment. The main assumptions on which the IRO assessment was based are as follows:

- Continental assumed that environmental factors and social influence will have a general growing impact on business activities, supply chains, and market conditions regarding for example the future availability of resources, the environmental transition and socio-economic trends.

- The financial assessment is based on assumptions regarding future regulatory developments, market trends and technological advancements, among other things. The likely consequences of these regulatory changes were taken into account. Moreover, Continental assumes that technology will continue to advance and support sustainability initiatives. This includes assumptions about the development and introduction of green technologies.

- The assessment of the impacts, risks and opportunities related to Continental's value chain takes into account, in particular, the specific features of the respective geographical regions, industries, business activities and types of operation.

Continental's due diligence processes play a key role in identifying, assessing, and managing impacts, risks and opportunities. They are part of the management processes described in this section under Governance as well as in the management approaches in the topic-related sections. The assessment of impacts regarding human rights is supported by the due diligence processes of Continental's Responsible Value Chain Due Diligence System (RVCDDS), e.g. regarding actual impacts by incidents or the assessment of potential negative impacts (see especially the topic-related Own workforce (ESRS S1) section and Workers in the value chain (ESRS S2) section).

Where specific activities, business relationships, geographical locations or other factors lead to a higher assessment of the impacts, this was essentially taken into account in the description and assessment of the IROs.

Through the holistic approach of the IRO assessment, the impacts have been assessed within Continental's own operations and in the upstream and/or downstream value chain. The relevant stage of the value chain is described in the respective impacts, risks and opportunities.

As described in the methodology, affected stakeholders were involved in the assessment process by subject matters experts who acted as internal proxies. The stakeholders' views are incorporated into the respective management approaches as described in the topic-related sections and thus also contribute to the evaluations by the subject matter experts who were involved in the assessment of the IROs.

Impact materiality
The impact materiality is based on the severity or magnitude of the effect of the impact. In the case of potential impacts, the probability was also assessed, but not taken into account in the evaluation of materiality. A five-point scale from “very low” to “very high” was used for both aspects.

The assessment of the severity or magnitude of the effect is based on the following factors:
- the scale,
- the scope, and
- for negative impacts, also the irremediable character of the impact.

The threshold for material impacts follows the general described methodology for thresholds, as laid out in this subsection under Consolidation.

Financial materiality
The integrated approach of the IRO assessment allows Continental to assess risks and opportunities together with the topically related impacts in a combined view. Thereby it was possible to consider interdependencies between risks and opportunities with impacts. In the topic-related sections, the detailed descriptions of impacts, risks and opportunities are grouped into related IRO clusters (e.g. all IROs on Scope 1 and Scope 2 emissions in one IRO cluster).

Also risks and opportunities were assessed according to the level of severity effect and magnitude of financial impacts and the likelihood of occurrence in the short-, medium-, or long-term. The financial impacts were assessed using semi-quantitative guidelines that were defined in consultation with Group Risk Management. Five levels from “very low” to “very high” were used as the rating scale. The financial impacts considered include effects on Continental’s financial position, financial performance, cash flows, access to financing, cost of capital and financial outlook. The threshold for financial materiality follows the general described methodology for thresholds, as laid out in this subsection under Consolidation.

Group Risk Management was closely involved in all steps of the IRO assessment. Before the results were provisionally confirmed, they were iteratively compared with the company’s risk inventory to ensure complete consistency. Further details on the alignment are described in the subsection Integration of IROs in risk management.

The Sustainability Steering Committee was involved in milestones of the IRO assessment, acted as a supervisory body and formally confirmed the results. In addition, the Group’s Governance, Risk and Compliance (GRC) Committee in particular, which manages general risk management, was indirectly involved in the process and was informed in particular about the IRO assessment and the interrelations with risk management.

Integration of IROs in risk management
The IRO assessment has taken into account both the assessments based on the ESRS requirements and the assessments as part of enterprise risk management in accordance with the relevant requirements. To this end, the IRO assessment is continuously coordinated with general risk management.

In view of the major differences in the required methods, consistency checks were carried out. The sustainability-related risks compatible with the methodology relevant for enterprise risk management have been aligned with the risks documented in the general risk assessment reporting system. Impacts not directly related to an identified risk were not considered in the enterprise risk management.

Further information on risk management can be found in the management report in the Main characteristics of the risk management system subsection in the subsection on Continental’s internal control and risk management system in the Report on risks and opportunities section.

The outcome of the IRO assessment confirmed the topic-related focus of Continental’s Sustainability Ambition anchored in Continental’s strategy. The concrete effects of impacts, risks and opportunities on Continental’s business model, value chain, strategy and decision-making as well as how Continental responds and plans to respond to these effects are addressed in more detail in the descriptions of the IROs and management approaches in the respective topic-related section.

Stakeholders and Stakeholder Engagement

Continental maintains regular, ongoing dialogue with various stakeholders via diverse channels.

For Continental, the most important stakeholders with regard to sustainability include in particular:
- Employees and their representatives,
- Customers, consumers, and end-users,
- Capital market participants,
- Policymakers,
- Affected communities and civil society,
- Actors within Continental's supply chain, and
- Users of Continental's sustainability reporting.

Stakeholders are involved via the following channels:
- Employees and their representatives: e.g. via works meetings, employee surveys, webcasts, meetings with employee representatives and directly via the HR departments,
- Customers, consumers and end-users: e.g. via sales departments or key account management, partnerships, trade fairs, surveys and customer service centers,
- Capital market participants: e.g. via the Annual Shareholders' Meeting, webcasts and roadshows,
- Public policymakers: e.g. via public affairs departments,
- Affected communities and civil society: e.g. via engagement projects and open house events,
- Actors within Continental's supply chain: e.g. via the purchasing departments and trade fairs, and
- Users of sustainability reporting: e.g. via published sustainability reporting.

The formats used to involve stakeholders differ depending on the stakeholder group and are organized by the respective functions to suit the individual purpose. For example, employees are involved by the HR departments.

The aim of involving the stakeholders is to bring together different perspectives, discuss any discrepancies in views and learn from each other.

The results of stakeholder engagement in various formats, along with further analyses and new ideas, are continuously being incorporated into the process of further developing our sustainability strategy and reporting. In particular, the results of stakeholder engagement are taken into account in the decision-making process through the management approaches described in the topic-related sections.

In the IRO assessment, an expanded understanding was created for the perspective (including interests and views) of the affected stakeholders as described in the Consideration of stakeholder interests and views subsection.

Consideration of stakeholder interests and views

In general, the views of stakeholders serve as an information basis for the management approaches that are relevant to sustainability and those that are described in the topic-related sections. At the same time, these management approaches in turn create an information basis for the overarching strategy processes with regard to stakeholder views. The described management approaches, market requirements, trends and other factors are taken into account as part of the overarching strategy processes. When changing strategy, the interests and views of stakeholders are therefore mainly included indirectly as one of many factors. Continental did not change its strategy or business models on the basis of the IRO assessment.

Continental amends the strategy and the business models as part of the annual strategy processes and the continuous strategic dialogue in all group sectors as well as part of the topic-related management approaches.

Continental assumes that any changes to strategy or business model has impacts on the relationship with stakeholders and the stakeholders' views – no matter whether they are based on sustainability-related decision-making or other reasoning. Continuous validation of the views of stakeholders is therefore relevant for the evaluation of impacts, risks and opportunities as well as subsequent strategic decision-making. Further information on this strategy can be found in this management report in the Corporate profile section under the subsection Strategy of the Continental Group.

The identification of opportunities and, in particular, the identification of strategic opportunities as part of the IRO assessment was also linked to strategy processes.

The views and interests of affected stakeholders with regard to the company's sustainability-related impacts have been considered in the IRO assessment. The IRO assessment considering these views was discussed in the Sustainability Steering Committee as well as in the Supervisory Board's Sustainability Working Group.

Interests and views of stakeholders relating to own workforce
The interests, views, and rights of Continentals workforce, including the respect for their human rights, are integral to shaping Continental's strategy and business model. To ensure that their perspectives are incorporated into strategic decisions, Continental is in regular contact with employees and their representatives via various channels, such as works councils and co-determination in the Supervisory Board. Further information on the involvement of employees and their perspectives in the overall business processes can be found in the Own workforce (ESRS S1) section. Furthermore, the inclusion of the own workforce is described in the methodology of the IRO assessment.

Interests and views of stakeholders relating to workers in the value chain
The interests, views, and rights of workers in Continentals value chain, including the respect for their human rights, inform Continental's related management approaches regarding a responsible value chain. The involvement of the workers in the value chain is also described in more detail in the methodology of the IRO assessment.

Interests and views of stakeholders relating to affected communities
The interests, views, and rights of affected communities, including the respect for their human rights inform Continental's related management approaches regarding a responsible value chain. The involvement of the affected communities is also described in more detail in the methodology of the IRO assessment.

Interests and views of stakeholders relating to consumers and end-users
The interests, views, and rights of consumers and end-users, including the respect for their human rights, are part of Continental's strategy and business model. Where Continental is a supplier, such as for automotive components, the perspective of consumers and end-users is seen as an integral part of the general feedback from customers, such as car manufacturers. Where Continental directly sells end-consumer products, feedback from consumers and end-users and their representatives is gathered through various channels, especially via customer service centers. In addition, Continental's Mobility Study informs about the perspectives of end-users in major markets.

The involvement of consumers and end-users is also described in more detail in the methodology of the IRO assessment.

Identification of the Information to Be Disclosed Based on the IRO Assessment

As part of the IRO assessment, Continental has allocated the identified material impacts, risks and opportunities to the corresponding ESRS sustainability matters. This sustainability report only contains information on the sustainability matters respectively topics, subtopics and sub-sub-topics that have been classified as material, i.e. at least one material impact, material risk or material opportunity has been identified for the respective sustainability matter. The implementation guidelines provided by EFRAG were used as an additional source for the allocation of disclosure requirements for sustainability matters. The identified material impacts, risks and opportunities with their specific descriptions set the focus within the required disclosures, for example on own operations, the supply chain or specific product groups. The perspective of the primary users of financial reporting and other users of sustainability reporting was already taken into account in the IRO assessment.

Where relevant for the understanding of specifics identified by Continental, adequate and meaningful entity-specific disclosures were added to provide sufficient granularity of information, such as additional metrics used in management processes.

The principle of materiality of information was applied in order to calibrate the depth of the information and to omit individual disclosures where these are not material for an understanding of the material impacts, risks and opportunities and for the management approaches described, and are not necessary in order to fulfill the objectives of the corresponding disclosure requirements.

In addition, use was made of the simplification of the phase-in disclosure requirements in accordance with ESRS 1.132. Continental is working on being able to report these phase-in disclosure requirements in accordance with the specified time horizons.

An overview table of the reported disclosure requirements can be found at the end of the sustainability report in the Overviews and indices in accordance with ESRS 2 section.

Details of the Material Impacts, Risks and Opportunities

The actual and potential negative and positive impacts on people and the environment are described in more detail within the respective topic-related sections in the detailed descriptions of the concrete impacts.

Many of the impacts identified are inherent to the industry and are directly related to specific types of business, products, value chains or geographical regions. They can therefore be seen as impacts directly linked to Continental's strategy and business models. Where applicable, this is also addressed in the concrete descriptions of impacts within the topic-related section.

As described in the methodology of the IRO assessment, Continental used a variety of input parameters to evaluate the IROs, including both quantitative and qualitative data sources such as metrics, internal reports, and external market research.

Continental has defined the following time intervals for potential impacts, risks and opportunities following the ESRS requirements:

- "**Short-term**" is coherent with the reporting period in the consolidated financial statements (up to one year).
- "**Medium-term**" corresponds to a period between the end of the short- period and up to five years.
- "**Long-term**" is defined by a period of more than five years.

Continental considers the primary time horizons to be those in which the strongest impacts or effects are to be expected.

Depending on the topic, material impacts originate from own operations or from business relationships. This information can be found in the respective topic-related sections in the subsections under Material impacts, risks and opportunities and, in general, in this section under the Strategy, business model and value chain subsection.

The current financial effects of the identified material risks and opportunities relating to sustainability aspects include according to Continental's view, in particular, provisions for specific risks associated with the identified IROs. In particular, these are provisions for warranties (see risk 70 in the Consumers and end-users (ESRS S4) section), which amounted to a total of €388 million as at December 31, 2024. In addition, smaller parts of the provisions for litigation and environmental risks are linked to the risks, but mainly to the impacts from the Pollution (ESRS E2) section. Provisions for litigation and environmental risks amounted to €297 million as at December 31, 2024. Provisions for restructuring are only indirectly linked to the identified material risks and opportunities described in the Own workforce (ESRS S1) section and therefore, from Continental's perspective, do not represent current financial effects within the definitions of the ESRS.

Furthermore, no significant current financial effects on the recoverability of non-financial assets and inventories were identified in connection with identified sustainability-related and, in particular, climate-related risks.

It should be noted that current financial effects in connection with identified material risks and opportunities relating to sustainability aspects are generally not independent of other associated effects.

Further information is provided in the explanations of the relevant notes to the consolidated financial statements, for example in Note 29 relating to warranties. Further information on the fundamental consideration of sustainability-related aspects in accounting are described in Note 2 of the notes to the consolidated financial statements, particularly with regard to climate-related aspects in the subsection Impact of the macroeconomic environment and climate-related aspects on accounting in the reporting period.

Based on the IRO assessment, taking into account the associated limitations and assumptions as set out in the subsection Process for identifying and assessing material IROs and taking into account the management approaches, targets and key actions for achieving the targets reported in the topic-related sections, Continental considers its business model and strategy to be resilient. The management approaches, targets and key actions for achieving the targets describe Continental's current ability to reduce its material negative impacts, increase positive impacts, manage risks, and seize opportunities. Continental also assumes that these skills will continue to develop over time.

Further information on risk management can be found in the management report under Main characteristics of the risk management system in the subsection on Continental's internal control and risk management system in the Report on risks and opportunities section.

The identified impacts, risks and opportunities relate to at least one sustainability matter as defined by the ESRS. The entity-specific disclosure only provides additional granularity but does not contain any new sustainability matters beyond the list of sustainability matters in ESRS 1.AR16. The relation between entity-specific disclosures and specific impacts, risks and opportunities are included in the description of the respective management approaches which follow the same clustering as the impacts, risks, and opportunities (IRO cluster).

As the reporting year 2024 constitutes the first year of reporting on the outcomes of an IRO assessment, there are no outcomes from prior years for comparative analysis.

Continental identified 75 IROs that have been evaluated as material according to the IRO assessment methodology applied by Continental. Material IROs have been identified along the supply chain, own operations, and downstream value chain. Given the different focus of topic-related sections, the distribution of the IROs along the value chain differs (e.g. the Own workforce (ESRS S1) section is, by definition, focused specifically on own operations).

Each material IRO is described in more detail in the respective subsections (Material impacts, risks and opportunities) of the topic-related section in this report, and can be identified with a distinct identifier as shown in the following table.

Continental's material impacts, risks and opportunities (IRO table)

ESRS	Section	ID	Short description	Type of IRO	Primary time horizon
E1	Climate change	1	Contribution to Scope 3 emissions backpack	Actual negative impact	-
		2	Contribution to Scope 1 & 2 emissions	Actual negative impact	-
		3	Contribution to Scope 3 emissions use phase	Actual negative impact	-
		4	Support transition to carbon neutrality with components & systems (ZTEV & low carbon industries) in the entire value chain	Actual positive impact	-
		5	Energy consumption from fossil fuels in own operations	Actual negative impact	-
		6	Devaluation of assets due to physical climate change	Risk	Long-term
		7	Supply chain interruptions due to physical climate change effects	Risk	Long-term
		8	Loss of sales in connection with our portfolio and climate change	Risk	Long-term
		9	Higher operating costs/investments related to climate change adaptation	Risk	Long-term
		10	Devaluation of assets due to climate protection regulations	Risk	Medium-term
		11	Higher costs for materials/services related to climate change mitigation	Risk	Medium-term
		12	Higher operating costs/investments related to climate change mitigation	Risk	Medium-term
		13	Higher operating costs/investments related to climate change mitigation (1.5°C scenario)	Risk	Medium-term
		14	Higher costs for materials/services related to climate change mitigation (1.5°C scenario)	Risk	Medium-term
		15	Loss of sales in connection with our portfolio and climate change (1.5°C scenario)	Risk	Medium-term
		16	Growth or new business from climate change regulations	Opportunity	Medium-term
E2	Pollution	17	Spills or other environmental incidents in own operations	Potential negative impact	Short-term
		18	Pollution by supply chain	Potential negative impact	Short-term
		19	Pollution in use phase	Actual and potential negative impact	Potential impact: Short-term
		20	Use of substances of concern within own operations	Potential negative impact	Short-term
		21	Use of substances of concern within supply chain	Potential negative impact	Short-term
		22	Penalties in connection with pollution in the use phase	Risk	Medium-term
		23	Higher costs for materials/services related to pollution	Risk	Medium-term
		24	Loss of sales in connection with our products and pollution	Risk	Medium-term
		25	Loss of sales in connection with our portfolio and substances of concern	Risk	Medium-term
		26	Penalties in connection with substances of concern	Risk	Medium-term
		27	Growth arising from environmental protection related regulations	Opportunity	Medium-term
E4	Biodiversity and ecosys-tems	28	Deforestation in the supply chain	Potential negative impact	Short-term
		29	Impacts on biodiversity in use phase	Actual and potential negative impact	Potential impact: Short-term
		30	Penalties in connection with deforestation	Risk	Medium-term
		31	Higher costs for materials/services related to deforestation	Risk	Short-term
		32	Resilience of own supply chain in relation to biodiversity	Opportunity	Medium-term
E5	Resource use and circular economy	33	Procurement from primary and non-renewable sources	Actual negative impact	-
		34	Contribution to waste by EOL of products	Actual negative impact	-
		35	Landfill or incineration of non-recyclable waste in own operations	Actual negative impact	-
		36	Higher costs for materials/services related to resources	Risk	Medium-term
		37	Loss of sales in connection with our portfolio and circularity	Risk	Long-term
		38	Waste efficiency	Opportunity	Medium-term

ESRS	Section	ID	Short description	Type of IRO	Primary time horizon
S1	Own workforce	39	Negative impacts on adequate wages and fair payment	Potential negative impact	Short-term
		40	Positive impacts on adequate wages	Potential positive impact	Short-term
		41	Negative impacts on employees' working time	Potential negative impact	Short-term
		42	Positive impacts on employees' working time	Actual and potential positive impact	Potential impact: Short-term
		43	Negative impacts on work-life balance	Potential negative impact	Short-term
		44	Negative impacts on the health of own workforce	Potential negative impact	Short-term
		45	Negative impacts on secure employment	Actual and potential negative impact	Potential impact: Short-term
		46	Positive impacts on secure employment	Actual and potential positive impact	Potential impact: Short-term
		47	Positive impacts on social dialogue	Actual and potential positive impact	Potential impact: Short-term
		48	Positive impacts on training and skill development	Actual and potential positive impact	Potential impact: Short-term
		49	Incidents of discrimination in own operations	Potential negative impact	Short-term
		50	Incidents of forced labor in own operations	Potential negative impact	Short-term
		51	Incidents of child labor in own operations	Potential negative impact	Short-term
		52	Infringement of employee's privacy rights	Potential negative impact	Short-term
		53	Penalties due to incidents in connection with working conditions in own operations	Risk	Medium-term
		54	Business interruptions in connection with training in own operations	Risk	Medium-term
		55	Penalties in connection with discrimination in own operations	Risk	Medium-term
		56	Penalties in connection with human rights in own operations	Risk	Medium-term
		57	Loss in sales/boycott in connection with incidents of labor rights in own operations	Risk	Medium-term
S2	Workers in the value chain	58	Negative impacts related to working conditions, equal treatment and other human rights of workers of direct suppliers	Potential negative impact	Short-term
		59	Negative impacts related to working conditions, equal treatment and other human rights of workers of indirect suppliers	Potential negative impact	Short-term
		60	Penalties in connection with violations of labor rights in the value chain	Risk	Medium-term
		61	Higher costs for materials/services related to incidents work related rights in the value chain	Risk	Medium-term
S3	Affected communities	62	Negative impacts on affected communities by own operations	Potential negative impact	Short-term
		63	Negative impact of direct suppliers on affected communities	Potential negative impact	Short-term
		64	Negative impact of indirect suppliers on affected communities	Potential negative impact	Short-term
		65	Penalties in connection with violations of the rights of affected communities	Risk	Medium-term
S4	Consumers and end-users	66	Negative impacts on the personal safety of consumers	Potential negative impact	Short-term
		67	Positive impacts on the personal safety of consumers	Actual and potential impact	Potential impact: Short-term
		68	Infringement of the consumers' privacy rights	Potential negative impact	Short-term
		69	Loss in sales related to protection of consumers (safety)	Risk	Medium-term
		70	Penalties in connection with incidents regarding product safety	Risk	Medium-term
		71	Growth arising from safety of consumers	Opportunity	Long-term
G1	Business conduct and corporate governance	72	Antitrust law incidents in own operations	Potential negative impact	Short-term
		73	Negative impacts on whistleblowers in the entire value chain	Potential negative impact	Short-term
		74	Corruption, bribery, or fraud incidents within own operations	Potential negative impact	Short-term
		75	Penalties in connection with business conduct incidents	Risk	Short-term

Specifics of the IRO Assessment for Certain Topic-Related Sections

To ensure the comprehensiveness and robustness of the results, Its IRO assessment for each topic-related section was performed following the principles and methodologies as described above. Furthermore, additional factors were taken into account for individual standards in accordance with the ESRS.

Specifics of the IRO assessment in relation to climate change
The negative impacts related to climate change were evaluated based on the reported GHG emissions (Scope 1, 2 and 3) and the positive impact with the interest on the evolution of the market trend toward low carbon vehicles. Regarding risks and opportunities, specific risk and opportunity scenarios have been developed and evaluated as part of the IRO assessment which are defined in the Description of methodology and assumptions subsection. The concrete scenarios are reflected in the descriptions of the respective IROs in the Climate change (ESRS E1) section. These include extreme scenarios with low emissions for transition risks (see risks 13, 14 and 15) in which a 1.5°C pathway is not exceeded or only exceeded to a limited extent, and extreme scenarios with high emissions for physical risks (see risks 6, 7 and 9). The scenarios are not detailed climate scenarios based on external sources and compared with the current state of scientific knowledge but focus in simplified form on the relevant risk and opportunity drivers. With regard to scenarios for transition risks, these are regulatory and market developments in particular. For the scenarios relating to physical risks, the main drivers are an increase in extreme weather events and long-term climate change (for example in terms of temperature). From Continental's perspective, the selected scenarios therefore address the relevant drivers of risks and opportunities, and thus also cover the relevant scenarios as defined by the ESRS. For methodological reasons, the scenarios go beyond the considerations of general risk management and the consolidated financial statements, particularly with regard to time horizons and the gross assessment perspective.

The evaluation of risks included in the analysis of climate-related hazards that might possibly affect Continental's business activities covers own operations as well as the value chain. Climate-related hazards include, in particular, the increase in extreme weather events and long-term climate change, for example in terms of temperature.

The exposure and sensitivity of assets and business activities to the identified climate-related hazards was considered in the IRO assessment. The assessment is coordinated with general risk management. The magnitudes of the financial effects of the gross physical risks are reflected in the descriptions of the associated risks in the Climate change (ESRS E1) section. By integrating the scenario analysis into the IRO assessment, the same time horizons were used. The standardized time horizons of the IRO assessment do not directly correspond to the various expected lifetimes of Continental's assets. The "short-term" and "medium-term" levels in the IRO assessment essentially correspond to the time horizons of annual planning and long-term planning, respectively, in the financial planning. Further information on the time horizon of long-term planning can be found, for example, in the disclosures on impairment losses in Note 2 of the notes to the consolidated financial statements. In addition, further information on the consideration of climate risks in accounting can be found in Note 2 of the notes to the consolidated financial statements under Impact of the macroeconomic environment and climate-related aspects on accounting in the reporting period.

For the identification of climate-related transition risks, a climate scenario with a moderate pathway towards carbon neutrality at the latest by 2050 (see risks 8, 10, 11, 12), as well as an extreme scenario with no or only limited overshoot of 1.5°C pathway was considered (see risks 13, 14 and 15). Both scenarios include increasing regulation, but in case of no or only a limited overshoot of 1.5°C being allowed, it was assumed that full carbon neutrality of the global economy would be enforced to be achieved already in the medium term.

The exposure and sensitivity of assets and business activities to the identified gross transition risks were qualitatively assessed in the IRO assessment. The process was based in particular on a screening of the product portfolio with regard to compatibility with a transition to climate neutrality. By applying the IRO methodology, the assumptions regarding the probability, extent and duration of the transition events were taken into account. The IRO assessment concluded that Continental's assets, business activities and product portfolio are fundamentally capable of transition and do not lead to any significant transition risks. The magnitudes of the financial effects of the gross transition risks are reflected in the descriptions of the associated risks in the Climate change (ESRS E1) section. Due to the integration into the IRO assessment, the same time horizons apply.

Specifics of the IRO assessment in relation to pollution
The identification and assessment of potential and actual impacts in relation to pollution in own operations, supply chain and downstream value chain included a screening of Continental's locations and business activities under consideration of the respective management approaches as well as the related metrics. The identification and assessment were integrated in the impact, risk and opportunity assessment following the described methodology. The assessment was also compared with external data sources.

Continental took into account the perspective of the affected communities regarding pollution through workshops with proxies from internal functions who represented their interests. The information received was taken into account in the development of the respective management approaches, in particular for own operations. There was no direct consultation with affected communities.

Specifics of the IRO assessment in relation to water and marine resources

The identification and assessment of potential and actual impacts, risks and opportunities regarding water and marine resources related to own operations, supply chain and downstream value chain included a screening of Continental's locations and business activities under consideration of the respective management approaches as well as the related metrics. The identification and assessment were integrated in the impact, risk and opportunity assessment following the described methodology. The assessment was also compared with external data sources and revealed that there are no material IROs for this sustainability matter.

The aspects relating to water pollution were considered as part of the IRO assessment under the topic of Pollution.

Continental took into account the perspectives of the affected communities regarding water and marine resources through workshops with proxies from internal functions who represented their interests. There was no direct consultation with affected communities.

Specifics of the IRO assessment in relation to biodiversity and ecosystems

The identification and assessment of potential and actual impacts regarding biodiversity and ecosystems related to Continental's own operations, supply chain and downstream value chain were integrated in the impact, risk and opportunity assessment following the described methodology. The assessment was also compared with external data sources (e.g. the Encore database).

The identification and assessment of potential dependencies on biodiversity and ecosystems was included in the evaluation of risks and opportunities. The focus was on whether Continental, its products or its value chain are specifically dependent on biogenic materials that are dependent on specific ecosystems.

The process explicitly considered transition and physical risks (see risks 30 and 31) and transition opportunities (see opportunity 32) and included a consideration of geographies, industries and, in particular, the risk driver of deforestation.

Continental took the macro level into consideration when identifying and assessing the IROs, including potential systemic risks, i.e. risks inherent to the industry and expert assessments.

Shared biological resources and ecosystems have not been specifically addressed as a distinct element in the IRO assessment as they are not considered relevant for Continental's value chain.

In terms of biodiversity and ecosystems, the IRO assessment did not include direct consultations with affected communities at specific locations. Nevertheless, the defined management approach regarding deforestation includes consultation with local stakeholders' communities through an industry initiative.

Continental took into account the perspectives of the potentially affected communities regarding biodiversity and ecosystems through workshops with proxies from internal functions who represented their interests. The information received was taken into account in the development of the respective management approaches, in particular for own operations. There was no direct consultation with affected communities.

Continental mitigates negative impacts on biodiversity and ecosystems as described in the respective management approaches in the Biodiversity and ecosystems (ESRS E4) section.

Continental has locations in and near biodiversity-sensitive areas. In the IRO assessment, Continental concluded that the impacts of these sites on biodiversity and ecosystems are not material.

In the IRO assessment, Continental came to the conclusion that, beyond the management approaches described in the Biodiversity and ecosystems (ESRS E4) section, no specific mitigation measures are required in connection with biodiversity.

Specifics of the IRO assessment in relation to resource use and circular economy

The identification and assessment of potential and actual impacts, risks and opportunities related to resource use and circular economy, in particular regarding resource inflows, resource outflows and waste in Continental's own operations, the supply chain and downstream value chain included a screening of Continental's locations in relation to waste and business activities, especially for products and materials purchased by Continental. The identification and assessment took into account information from the respective management approaches as well as related metrics.

The identification and assessment were integrated in the impact, risk and opportunity assessment following the described methodology.

Continental took into account the perspective of the affected communities regarding resource use and circular economy through workshops with proxies from internal functions who represented their interests. The information received was taken into account in the development of the respective management approaches, in particular for own operations. There was no direct consultation with affected communities.

Specifics of the IRO assessment in relation to business conduct and corporate governance

The identification and assessment of potential and actual impacts, risks and opportunities related to business conduct included, in particular, the consideration of Continental's types of business activities, geographies, sectors and types of transactions as well as the respective management approaches and associated metrics.

Governance

Administrative, management and supervisory bodies

The Executive Board of Continental AG consists of six members and manages the company under their own responsibility in the company's interests. All members of the Executive Board jointly bear responsibility for managing the company. Regardless of this principle of joint overall responsibility, each individual Executive Board member is individually responsible for their respective Executive Board function entrusted to them. Within the Executive Board, the Executive Board member for Group Human Relations (director of Labor Relations) and Group Sustainability is responsible for sustainability. The Management Board is supported by the Group Sustainability group function in sustainability management, the preparation of the sustainability report and reporting to the Supervisory Board.

Continental's Supervisory Board consists of 20 members and is responsible for appointing the members of the Executive Board, as well as for supervising and advising the Executive Board in its management of the company. This includes, in particular, issues relating to the company's strategy, planning, business development, risk situation, risk management, compliance and regularity of financial and sustainability reporting.

Further information on the individual Executive Board members and Supervisory Board members can be found on our website.

The Supervisory Board regularly addresses sustainability matters. In addition, it has established a Sustainability Working Group that specifically addresses sustainability matters relevant for Continental on a regular basis. The working group consists of two shareholder representatives and two employee representatives. All members have relevant skills and specialist knowledge. Furthermore, sustainability reporting, sustainability-related risk management, the related internal control system as well sustainability-related compliance management systems are regularly addressed by the Audit Committee of the Supervisory Board.

Further information on the expertise of the individual Supervisory Board members can be found in the Corporate governance statement of the annual report.

In accordance with recommendation C.1 of the German Corporate Governance Code, the Supervisory Board has specified objectives for its composition as well as developed a profile of skills and expertise covering, among others, sustainability matters, particularly in the areas of environment and social responsibility.

Furthermore, the Executive Board and the Supervisory Board are expanding sustainability-related expertise through regular participation in different exchange formats on developments regarding sustainability in their area of responsibility, and in close consultation with sustainability experts within and outside the organization.

Through this continuous exchange on sustainability matters, the skills and specialist knowledge of the administrative, management and supervisory bodies are adequate to manage material impacts, risks and opportunities.

The Supervisory Board members collectively cover all skills, expertise and experience deemed to be significant in view of Continental's business activities. These include in particular:

- Corporate governance,
- Sector- and company-specific experience,
- International experience,
- Sustainability,
- Risk management and reporting.

In addition, this enables the company to provide newly elected members of the Supervisory Board with a comprehensive overview of the company's products and technologies as well as finances, controlling, corporate governance and sustainability at Continental.

All Executive Board members have experience relevant to Continental's sectors, products, and geographical locations as well as further expertise that is relevant for their responsibilities. These criteria are, among others, also part of the internal succession planning for management positions.

Metrics: Composition and diversity

Composition of the management and supervisory bodies	2024
Number of executive members (as at Dec. 31)	6
Number of non-executive members (as at Dec. 31)	20

Definitions, assumptions, and calculation methods:
- *The management and supervisory bodies are the Supervisory Board and the Executive Board of Continental AG.*
- *The composition of the management and supervisory bodies as at December 31, 2024 is taken into account.*
- *The executive members of Continental management are the members of the Executive Board. The non-executive members are the members of the Supervisory Board.*

The Supervisory Board comprises 20 members in accordance with the German Co-determination Act (Mitbestimmungsgesetz – MitbestG) and the company's Articles of Incorporation. Half the members of the Supervisory Board are elected individually by the shareholders in the Shareholders' Meeting (shareholder representatives), while the other half are elected by the employees of Continental AG and its German subsidiaries (employee representatives). Of the ten employee representatives, three members are representatives of labor unions (two representatives from IG Metall and one representative from IGBCE).

Gender distribution in management and supervisory bodies (as at December 31), in %	**2024**
Female	27
Male	73
Total	**100**

Definitions, assumptions, and calculation methods:
- *The management and supervisory bodies are the Supervisory Board and the Executive Board of Continental AG.*
- *The gender distribution of the Executive Board is based on the information specifically documented in Continental's systems. This information therefore represents Continental's state of knowledge, taking into account local legislation and co-determination.*
- *The gender distribution of the Supervisory Board is based on the information provided in their own résumés, which are published on Continental's website.*
- *The ratio of female to male members of the management and supervisory bodies is 7 to 19.*

Independent members of the Supervisory Board	**2024**
Independent members of Continental's Supervisory Board (as at December 31), in %	100

Definitions, assumptions, and calculation methods:
- *The independence of a Supervisory Board member is defined in accordance with German Corporate Governance Code (DCGK).*
- *Taking into account the ownership structure, a Supervisory Board member is to be considered independent in the context of this metric if they are independent of the company and its Executive Board. In accordance with the DCGK, only shareholder representatives must prove their independence. Consequently, only the shareholder representatives are included in this metric.*

Roles and responsibilities

Oversight regarding sustainability is exercised in a staggered approach through regular meetings with a pre-defined agenda and adoption of resolutions, if applicable, in the following way:

- ❯ The Sustainability Steering Committee is responsible for overseeing Group Sustainability and operational sustainability governance.
- ❯ Oversight of the Sustainability Steering Committee is exercised by the Executive Board.
- ❯ Oversight of the Executive Board is exercised by the Supervisory Board.

Group Sustainability reports directly to the Executive Board member responsible for Group Human Relations (director of Labor Relations) and Group Sustainability.

Ultimate responsibility for the management, monitoring and oversight of impacts, risks and opportunities in the area of sustainability lies with the Executive Board, which delegates operational tasks to Group Sustainability.

Sustainability management within the Continental Group is regulated by dedicated sustainability rules. Seven administrative, management and supervisory bodies are responsible for monitoring Continental's impacts, risks and opportunities:

- ❯ **Supervisory Board:** The Supervisory Board is responsible for the oversight of the integration of sustainability matters into the business strategy and corporate planning. This includes the composition of the Executive Board (including the responsibility for sustainability), the integration of sustainability into the remuneration system of the Executive Board as well as the assessment of sustainability reporting.
- ❯ **Audit Committee of the Supervisory Board:** With regard to sustainability the Audit Committee deals with the monitoring of the accounting processes including the processes on sustainability reporting.
- ❯ **Sustainability Working Group of the Supervisory Board:** The Sustainability Working Group established by the Supervisory Board deals with sustainability matters relevant to Continental. The working group includes two shareholder representatives and two employee representatives.
- ❯ **Executive Board:** The Executive Board of Continental AG has overall responsibility for sustainability. Important strategic decisions regarding sustainability with a significant Group relevance are to be taken by the Executive Board, as well as a regular review and, if necessary, update of the sustainability ambition, by systematically considering sustainability-related impacts, risks and opportunities.
- ❯ **Chief Sustainability Officer:** Within the Executive Board, the Executive Board member for Group Human Relations (director of Labor Relations) and Group Sustainability assumes the role of Chief Sustainability Officer (CSO).
- ❯ **Sustainability Steering Committee:** The Sustainability Steering Committee established by the Executive Board assumes the role of primary steering and decision-making body for sustainability at Group level. This responsibility includes (among other scopes):
  - ❯ Reviewing and confirming the assessment of material impacts, risks and opportunities,
  - ❯ Defining the Group-wide sustainability strategy, public sustainability targets and corresponding key actions,
  - ❯ Defining the Group-wide sustainability metrics (key performance indicators) that go beyond the legal requirements.
- ❯ **Group Sustainability:** Group Sustainability holds operational responsibility for the sustainability framework at Group level in close collaboration with other functions. The main tasks are focused on compliance with sustainability regulations, governance and reporting, including the IRO assessment.

Further roles regarding sustainability are defined by the sustainability governance framework, e.g. at group sector level.

The following documents regulate the roles and responsibilities regarding sustainability-related topics, including impacts, risks and opportunities. Most of the documents are not specific to sustainability, but are relevant to the management of sustainability:

- Articles of Incorporation of Continental AG
- German Stock Corporation Act (AktG) (including the duties, constitution and due diligence obligations of the Executive Board and Supervisory Board)
- By-Laws for the Executive Board (including in the annex to the business organization plan regarding the areas of responsibility of the members of the Executive Board, including sustainability)
- By-Laws for the Supervisory Board (internal rules of procedure of the Supervisory Board, governing in particular the reporting of the Management Board to the Supervisory Board on sustainability issues)
- Continental Sustainability Rule (regarding sustainability governance within the Continental Group)

Sustainability targets are set to address material impacts, risks and opportunities and to achieve Continental's sustainability ambition. The Sustainability Steering Committee adopts public sustainability targets at Group level and in relation to the Group.

The responsibility of the Sustainability Steering Committee also includes any changes to targets.

The public sustainability targets are set and adopted together with the key actions and the corresponding metrics to measure the implementation progress. The metrics are reported in the sustainability report and are regularly monitored by the Sustainability Steering Committee.

Consideration of sustainability matters in corporate supervision

Group Sustainability is responsible for adequately informing the administrative, management and supervisory bodies on a regular basis about the results of the assessment of the sustainability IROs and their corresponding impacts in accordance with the described governance structure.

Continental's business strategy and risk minimization measures are aligned with the identified material impacts, risks and opportunities as described in the respective management approaches. Where relevant, trade-offs between various impacts, risks and opportunities are taken into account in the strategic processes.

The Sustainability Steering Committee, the Audit Committee and the Sustainability Working Group of the Supervisory Board address sustainability matters in regular meetings. The methodology and the results of the IRO assessment were presented in particular to the Sustainability Steering Committee, the Supervisory Board's Sustainability Working Group and the Supervisory Board's Audit Committee. In addition, the Sustainability Steering Committee formally confirmed the results of the IRO assessment at its meeting in February 2025.

The Sustainability Steering Committee comprises the entire Executive Board, Group Sustainability and other functions at the group and sector levels. The Audit Committee and the Sustainability Working Group are informed on sustainability topics by the CSO and Group Sustainability.

In 2024, the Sustainability Steering Committee and the Sustainability Working Group each held four meetings. The Audit Committee addressed sustainability matters in three meetings. Group Sustainability maintains a close dialogue with all the bodies outside of formal meetings as well.

All material IROs were presented to the Sustainability Steering Committee, the Audit Committee and the Sustainability Working Group. The Sustainability Working Group in particular was actively involved in the IRO assessment at two meetings.

Strategy

Strategy, business model and value chain

Key elements of the overall strategy with regard to sustainability
Continental's strategy was further developed in 2020. The organizational structure and the management processes were systematically aligned with three strategic pillars:

- Strengthening of operational performance,
- Differentiation of the portfolio,
- Consistent exploitation of opportunities.

Sustainability is anchored in the strategy in a general sense as well as in the "Consistent exploitation of opportunities" pillar and is a key element of the strategic focus on offering safe, intelligent and sustainable solutions. Sustainability is also a key component of Continental's vision: CREATING VALUE FOR A BETTER TOMORROW. Sustainability is therefore a decisive factor for our value creation paradigm. As such, it is reflected in the strategies of Continental's group sectors and consequently has an impact on Continental's business models and the value chain.

All material impacts, risks and opportunities are addressed in Continental's strategic framework. The respective elements the strategy especially also comprise the objectives of the management approaches as described in the respective topic-related sections. Where relevant, Continental's main challenges are part of the detailed descriptions of impacts, risks and opportunities. Critical solutions or projects are either addressed by the management approaches, specific metrics, targets or key actions.

In our Group sustainability ambition, we describe how Continental wants to shape this transformation in the relevant topic areas with respect to sustainability in order to mitigate negative impacts, reinforce positive impacts, reduce risks and seize opportunities. The overarching ambition includes specific ambitions for:

- Carbon neutrality along our entire value chain,
- Emission-free mobility and industry,
- Circular economy,
- Responsible value chain.

In addition, it defines eight sustainability essentials representing the backbone of our sustainability management. The essentials include for example good working conditions as well as a sustainable management practice.

The four ambitions apply to the entire Continental Group and in some cases also address parts of the value chain. Concrete objectives, ambitions and public sustainability targets are described in detail in the respective topic-related sections.

Description of business model and value chain
Continental offers a broad product portfolio, especially for vehicles and industry.

The Automotive group sector offers technologies for safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, camera solutions for the vehicle interior as well as intelligent information and communication technology associated with the mobility services of fleet operators and commercial vehicle manufacturers. Comprehensive activities relating to vehicle connectivity, architecture and electronics, as well as high-performance computers and software solutions, round off the range of products and services.

The Tires group sector offers a premium portfolio of innovative tire solutions for the passenger car, truck, bus, two-wheeler and specialty segment, as well as intelligent products and services related to tires and the promotion of sustainability. For specialist dealers and fleet managers, Tires provides digital tire monitoring and tire management systems, in addition to other services, which keep fleets mobile and increase their efficiency. With its tires, the group sector contributes to safe, efficient and environmentally friendly mobility.

The ContiTech group sector draws on its materials expertise to develop solutions for industrial applications made from rubber, metal and textiles. Its broad portfolio of hoses, conveyor belts, air springs and drive belts is designed for the operating conditions in industrial environments, which can be challenging. At the same time, ContiTech offers surface materials with an appealing look and feel for home and vehicle interiors. ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design.

The contract manufacturing of products by Continental companies for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is consolidated in the Contract Manufacturing group sector. This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will continue to be promoted and the volume of contract manufacturing reduced.

The automotive industry is Continental's most important customer group in terms of sales. Sales to dealers and end-users accounts for the largest share of business in the Tires group sector. The ContiTech group sector also serves a diversified customer base covering e.g. agriculture, mining and interior fittings. Further information on the distribution of sales can be found in the notes to the consolidated financial statements in Note 6, while further information on the group sectors is presented in the Development of the group sectors section in this management report.

Continental wants its products to contribute to the success of its customers and have a positive impact on society as a whole. Impact-related expected benefits for customers and other stakeholders are described in the respective impacts. Investors benefit from Continental's activities as a listed company through the total return.

Continental processes a wide range of raw materials and semifinished products, including electronics and electromechanical components, mechanical components, natural rubber and oil-based chemicals as well as synthetic rubber and carbon black. These are sourced from a diversified global supplier base. Continental's deeper supply chain – the indirect suppliers of Continental – includes the respective upstream value chains of this global supplier base, e.g. right down to natural rubber farms and ore mines.

Corporate customers account for a large proportion of Continental's business. In these businesses, Continental acts as both a direct supplier and indirect supplier in markets with dominant players, particularly in the automotive sector. At the same time, the supply chain consists of both small suppliers and large companies with a dominant market position.

The IRO assessment, the descriptions of impacts, risks and opportunities as well as the related management approaches consider the relevant aspects of Continental's value chain including relevant product groups, markets and customer groups.

Continental is represented with its business activities in various regions of the world:

Own employees (as at December 31)	**2024**
Germany	38,910
Europe excluding Germany	64,060
North America	33,893
Asia-Pacific	37,412
Other countries	9,083
Total number own employees	**183,358**

Definitions, assumptions, and calculation methods:
- *This includes employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices and leased employees are excluded.*
- *These data are collected by the legal entities of the Continental Group.*

Statement on Due Diligence

Details on the individual elements of the implementation of due diligence obligations are described in the respective topic-related sections.

The table below explains how the main elements and steps of the due diligence process, as outlined in ESRS 1, Section 4, are incorporated into this sustainability report.

Core Elements of Due Diligence	Subsections in this sustainability report
a) Embedding due diligence in governance, strategy and business model	Sustainability is integrated in Continental's governance, strategy and business models in accordance with a systematic sustainability governance. Details can be found in particular under: ❯ Governance: Consideration of sustainability matters in corporate supervision ❯ Strategy: Key elements of the overall strategy with regard to sustainability ❯ Strategy: Sustainability-related performance in incentive schemes ❯ as well as in the management approaches in the topic-related sections
b) Engaging with affected stakeholders in all key steps of the due diligence	Continental maintains ongoing dialogue with relevant stakeholders via various channels. The views and interests of the affected stakeholders have been considered in the IRO assessment. Details can be found in particular under: ❯ Process for identifying and assessing material IROs ❯ Stakeholders and stakeholder engagement ❯ as well as in the management approaches in the topic-related sections
c) Identifying and assessing adverse impacts	Continental has identified material actual and potential negative impacts. The methodology of the assessment is described under: ❯ Process for identifying and assessing material IROs The corresponding results be found under: ❯ Details of the material impacts, risks and opportunities ❯ as well as in the described impacts in the topic-related sections
d) Taking actions to address these adverse impacts	The results of the IRO assessment are incorporated in decision-making through general sustainability governance and also in the corresponding management approaches. Details can be found in particular under: ❯ Governance: Consideration of sustainability matters in corporate supervision ❯ Strategy: Key elements of the overall strategy with regard to sustainability ❯ as well as in the management approaches in the topic-related sections
e) Tracking the effectiveness of these efforts and communicating	Continental monitors the effectiveness of the respective management approaches with dedicated processes. Details can be found in particular under: ❯ Governance: Consideration of sustainability matters in corporate supervision ❯ Strategy: Key elements of the overall strategy with regard to sustainability ❯ Strategy: Sustainability-related performance in incentive schemes ❯ as well as in the management approaches in the topic-related sections In addition, Continental has set public sustainability targets with regard to climate change mitigation, circularity and own workforce. Details on targets and target monitoring can be found under: ❯ Targets related to climate change ❯ Targets related to resource use and circular economy ❯ Targets related to own workforce

Sustainability-Related Performance in Incentive Schemes

The Executive Board, senior executives and executives worldwide are measured against the progress of specific sustainability metrics. Long-term remuneration components (long-term incentive – LTI) are linked to sustainability matters, among others. In addition, short-term remuneration (short-term incentive – STI) can also include sustainability matters. A sustainability metric was included in the STI for 2024. The LTI and STI plans are updated on an annual basis.

The sustainability related components are integrated into the overall remuneration systems.

Based on the nature of long-term incentives, Continental has two remuneration systems in place regarding the LTI. A new LTI structure was introduced in 2024. The first payouts of the new model will be in 2028 for the Executive Board and in 2027 for senior executives and executives.

In the LTI structure, starting in 2024, 20% of the LTI is linked to sustainability matters based on metrics (key performance indicators) that are weighted and defined for each plan with specific thresholds for the respective target year of the LTI plan. For the plan, the metric values at the end of the period are measured against the defined thresholds. The range of target achievement is 0% to 200%. The three sustainability metrics included in the plan at the start of 2024 are own Scope 1 and market-based Scope 2 GHG emissions, the waste for recovery quota as well as the share of women in management positions.

The metric for the OUR BASICS Live Integrity Perception Index has been integrated in the STI for 2024.

The LTI structure for LTI plans with the start years from 2020 to 2023 is based on the relative total shareholder return (relative TSR) as the material performance criterion. The performance of the TSR is multiplied by a sustainability factor which consists of up to six sustainability metrics. Threshold values have been defined for every plan and every metric. To calculate the sustainability factor for the Executive Board, a value is added to the initial factor of 0.7 for each threshold value reached, which is calculated by dividing 0.6 by the number of metrics used. The sustainability factor is a maximum of 1.3. The values are slightly adapted for senior executives and executives. As an example, the 2020-2023 LTI plan covered the metrics of own Scope 1 and market-based Scope 2 GHG emissions, the waste for recovery quota, the accident rate, the share of women in management positions, the sick leave as well as the OUR BASICS Live Sustainable Engagement Index.

In both LTI structures as well as in the STI, the achievement of sustainability performance is measured for all Executive Board members as well as for senior executives and executives on the basis of the entire Continental Group.

Further details about the remuneration system are available in the remuneration report on our website under Company/Corporate Governance/Executive Board.

Within the LTI schemes, the metric for the own Scope 1 and market-based Scope 2 GHG emissions relate to the respective impacts, risks and targets as described in the Climate change (ESRS E1) section. The metric on women in management positions relates to the respective impacts, risks and targets, as described in the Own workforce (ESRS S1) section. The thresholds of the other metrics were derived from ambitions, management approaches or comparable references.

With the current remuneration system, Continental has integrated sustainability performance into the remuneration of the Executive Board, senior executives and executives.

Considering the structure of LTI plans and especially that the system with starting years before 2024 used a multiplier, the proportion of variable remuneration dependent on sustainability-related targets and impacts cannot be expressed in one figure but is instead calculated in the respective years of payment.

The Supervisory Board is responsible for confirming and updating the conditions of the incentive systems (including the sustainability metrics and target and threshold values used) for the Executive Board. The remuneration system for the Executive Board is approved by the Annual General Meeting. The system for senior executives and executives is confirmed by the Executive Board.

Due to the LTI structure of the 2020-2023 plan with a sustainability factor as a multiplier of TSR performance, the percentage of the recognized Executive Board remuneration linked to a climate-related consideration is 0% in fiscal 2024. This effect results from the performance of the TSR. Further information can be found in the 2023 remuneration report, which is relevant for the pay out in 2024.

Internal Control System for Sustainability Reporting

In the reporting the ramp up and stepwise extension of a specific internal control system (ICS) for sustainability reporting was started. The main goal of the system is to ensure that process risks in the implementation of sustainability reporting are identified, documented and mitigated in a systematic process. The ICS for sustainability reporting is part of the overarching internal control system of Continental and it has several interfaces to overall ICS processes as well as to function-specific ICS processes.

The ICS for sustainability reporting is focused on public annual reporting in Continental's annual report and especially on the sustainability report. It comprises a defined set of goals, a dedicated control environment based on the overall sustainability governance, an evaluation of process-inherent risks, mitigation and control processes for process-inherent risks, documentation and communication as well as reviews and oversight. In addition, the sustainability reporting itself is based on documented processes.

The process-inherent risks are evaluated by Group Sustainability on an annual basis. The evaluation considers relevant external sources (e.g. specific guidance), findings of internal and external audits/assurance, own evaluations, a consultation with internal stakeholders as well as general feedback. In the evaluation, risks are classified according to severity and likelihood and key risks are prioritized based on this classification.

The main process risks identified for sustainability reporting for fiscal 2024 are especially related to the completeness, the interpretation of requirements and the consistency of the overall reporting as well as resource constraints.

The mitigation and control strategy is guided by the evaluation of process-inherent risks. These mitigations and controls include supervisory, centralized, decentralized and other mitigation and controls. The identified key risks are primarily addressed by central mitigation and controls.

The oversight of the ICS is designed in a staggered approach. The review of the ICS is integrated in the dedicated review process for sustainability reporting. Within the overall internal control system, further reviews and oversight are exercised, e.g. by the internal audit function.

Potential improvements and required action, as well as relevant findings, are reported by Group Sustainability to the relevant bodies for sustainability, especially the Sustainability Steering Committee and the Audit Committee of the Supervisory Board.

Sustainability Report – Environmental Information

Disclosures in Accordance with the EU Taxonomy Regulation

The EU Taxonomy is a classification system for determining sustainable economic activities in the real economy. The following disclosures are the mandatory disclosures of the Continental Group in accordance with Art. 8 of the EU Taxonomy Regulation (EU) 2020/852.

Specific Information on the Implementation of Disclosure Requirements in Accordance with the EU Taxonomy Regulation (EU) 2020/852

In line with the EU Taxonomy Regulation (EU) 2020/852, the Climate Delegated Act (EU) 2021/2139 and Environmental Delegated Act (EU) 2023/2486, companies must provide information on the eligibility and alignment of their activities with the EU Taxonomy with regard to the following environmental objectives

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Commission Delegated Regulation (EU) 2023/2485 amending the Climate Delegated Act, which was published at the same time as the Environmental Delegated Act (EU) 2023/2486, amended the Climate Delegated Act. Besides amendments related to the existing activities for the two climate objectives, new economic activities were also included. This affects, among others, the two economic activities of category 3.18 (Manufacture of automotive and mobility components) and category 3.19 (Manufacture of rail rolling stock constituents). Furthermore, the EU Commission made it explicit in Recital 10 of the Commission Delegated Regulation (EU) 2023/2485 (amending Delegated Regulation (EU) 2021/2139) that the activity of tire manufacturing, by virtue of its potential to reduce greenhouse gas emissions in the transport sector, is a taxonomy-eligible activity that is currently to be allocated to category 3.6 (Manufacture of other low-carbon technologies).

In 2024, there were no amendments introduced to the EU Taxonomy and related delegated acts. Published answers on frequently asked questions by the European Commission did not influence Continental’s interpretation of the reporting requirements related to the economic activities relevant for the company. Consequently, reporting under EU Taxonomy still remains associated with uncertainty for Continental.

These uncertainties mainly result from unclear and imprecise wording used in the regulations and notes related to the assessment of Taxonomy eligibility and especially Taxonomy alignment for economic activities relevant for Continental as well as to the calculations for key performance indicators for turnover, capital expenditure and operating expenditure.

As a result, these directives and instructions still leave room for interpretation from Continental’s perspective.

In interpreting the regulation, Continental takes into consideration – besides officially published documents – the statements from industry associations in the supplier and automotive industries as well as unofficial assessments of various experts.

Taxonomy-Eligible Economic Activities

In the reporting year 2024, Continental followed the same methodology to assess Taxonomy eligibility as methodology as the previous year.

In the reporting year 2024, we allocated – as in the previous year – all economic activities involved in the manufacture of automotive and mobility systems and components for road vehicles – with the exception of tires, but also extending beyond components for zero-tailpipe-emission vehicles – to category 3.18. Continental is of the opinion that the manufacture of all components, irrespective of the drive system, is taxonomy-eligible for all vehicles belonging to the vehicle classes listed in the category. This classification is based on the fact that, from Continental's perspective, the activity designation does not entail any restrictions in terms of components, for example in relation to function or drive system, and the corresponding components, parts and systems are intended for use in road vehicles. While the qualification characteristic (criterion) contained in the description of activity 3.18 "essential contribution to environmental performance" is not exhaustively clearly defined, it is, in Continental's view and based on the supporting documents of the European Commission (e.g. "A User Guide to Navigate the EU Taxonomy for Sustainable Activities" published in June 2023) – part of the assessment of Taxonomy alignment and not Taxonomy eligibility.

We allocated all economic activities involved in the manufacture of rail rolling stock constituents to category 3.19. This classification is based in particular on the fact that, from Continental's perspective, the reference to activity 3.3 does not impose any restrictions on components in relation to the function or drive system of rail vehicles for which the components are manufactured, provided that the components and systems are necessary for the operation and functioning of rail vehicles. Furthermore, the activity designation does not entail any restrictions on components, for example in relation to function or drive system.

As in the previous year, all activities involved in tire manufacturing were classified as taxonomy-eligible under category 3.6. In Recital 10 of Delegated Regulation (EU) 2023/2485 (amending Delegated Regulation (EU) 2021/2139), the European Commission makes it clear that tire manufacturing has the potential to reduce greenhouse gas emissions in the transport sector and can contribute to a more circular economy. Until specific technical assessment criteria are defined for this activity, tire manufacturing shall remain a taxonomy-eligible activity under category 3.6 (Manufacture of other low-carbon technologies). It is Continental's opinion that this clarification for the purposes of Taxonomy eligibility refers to the manufacture of tires of all kinds, without any restrictions in terms of specific properties, label classes or drive system technologies. Alternative interpretations were examined, but Continental found them to be unsuitable, particularly with regard to Recital 10.

In addition, various Continental industrial businesses were classified as taxonomy-eligible, as they were in the previous year. In the reporting year, these primarily comprised the manufacture of components for wind turbines and the manufacture of materials for industrial plant insulation. Continental allocates these businesses to category 3.6 (Manufacture of other low-carbon technologies), since the economic activities pursue substantial reductions and therefore make significant contributions to the expansion of renewable energies and energy saving, for example through insulation in industrial plants. For these classifications as well, Continental believes it is irrelevant which functions are fulfilled by the supplier technologies in the end products, as long as the end product facilitates the goals set out in Art. 10 (1) of the EU Taxonomy Regulation (EU) 2020/852.

The activities mentioned are not identified as taxonomy-eligible under Annex II to the Climate Delegated Act (EU) 2021/2139 (environmental target "climate change adaptation").

All other economic activities of the Continental Group that are not included in the aforementioned economic activities have been classified as Taxonomy-non-eligible for the reporting year. Accordingly, Continental currently has not allocated any economic activities to the other environmental objectives under Annex I: Sustainable use and protection of water and marine resources, Annex II: Transition to a circular economy, Annex III: Pollution prevention and control or Annex IV: Protection and restoration of biodiversity and ecosystems of the Commission Delegated Regulation (EU) 2023/2486.

We base the classification on the information publicly available at the time the report was prepared.

Taxonomy-eligible turnover
The information on sales is prepared in accordance with section 1.1.1 of Annex 1 to the Delegated Regulation on Disclosure Obligations (EU) 2021/2178 in compliance with IFRS accounting regulations (see tables at the end of this non-financial statement). The method of determination selected by Continental ensures that double counting is avoided.

A total sum of €34.1 billion was reported as taxonomy-eligible sales in the reporting year (previous year: €35.9 billion), which is equivalent to a 85.8% share of consolidated sales (previous year: 86.6%). The breakdown of taxonomy-eligible sales by category is shown in the tables at the end of this section.

Information on the Continental Group's total sales (the denominator of the metric group calculation) can be found in the Consolidated statement of income of the consolidated financial statements under Sales.

Taxonomy-eligible capital expenditure and operating expenditure

Taxonomy-eligible capital expenditure and operating expenditure have been compiled in accordance with the Delegated Regulation on Disclosure Obligations (EU) 2021/2178 taking into account the clarifications made by the European Commission in October 2022.

The figures for taxonomy-eligible capital expenditure and operating expenditure under Category a are allocations based on the proportion of taxonomy-eligible turnover. For reasons connected to the business model, the equipment, machinery and buildings of the Continental Group in thus used both for taxonomy-eligible activities and for other activities.

The allocation takes place at group sector level, and not at the level of individual locations, in order to avoid double counting, to take into account intercompany business and consolidation effects as well as to reflect the matrix structure of the Continental Group. This allocation of turnover thus reflects the distribution of Continental's production. The Platform on Sustainable Finance also recommends such an approach to allocation in its report to the European Commission dated October 2022. For enabling activities, it states that capital expenditure and operating expenditure should be reported on the basis of their proportion of sales provided the activities are taxonomy-eligible and that they not do not include non-taxonomy-eligible activities.

A total sum of €1,892 million was reported as taxonomy-eligible capital expenditure in the reporting year (previous year: €2,141 million), which is equivalent to a 85.8 % share of total capital expenditure (previous year: 87.9 %). The breakdown of taxonomy-eligible capital expenditure by category is shown in the tables at the end of this section.

The information on capital expenditure is prepared in accordance with section 1.1.2 of Annex 1 to the Delegated Regulation on Disclosure Obligations (EU) 2021/2178 compliance with IFRS accounting regulations. Information on the Continental Group's total capital expenditure can be found in Note 1 of the notes to the consolidated financial statements. The information refers to capital expenditure in the intangible assets (Note 13), property, plant and equipment (Note 14), leases (Note 15) and investment property (Note 16) presented in the notes to the consolidated financial statements.

Operating expenditure is defined in accordance with section 1.1.3 of Annex 1 to the Delegated Regulation on Disclosure Obligations (EU) 2021/2178 and has been calculated on an imputed basis as described above. For the denominator of the metric calculation for operating expenditure, Continental takes into account direct, non-capitalized costs incurred in the reporting year as a result of research and development (net), building renovation measures, short-term leasing, and maintenance and repairs.

A total sum of €3,421 million was reported as taxonomy-eligible operating expenditure in the reporting year (previous year: €3,572 million), which is equivalent to a 85.8 % share of total operating expenditure (previous year: 90.5 %). The breakdown of taxonomy-eligible operating expenditure by category is shown in the tables at the end of this section.

Continental notes that, from its perspective, various interpretations with respect to the requirements concerning capital expenditure and operating expenditure, particularly for category c and for operating expenditure more generally, continue to result in uncertainty when determining Taxonomy-related information.

Taxonomy-Aligned Economic Activities

For all economic activities reported under category 3.6, specific comparative life cycle analyses are required by the technical screening criteria on substantial contribution to climate change mitigation. These must demonstrate substantial savings to life cycle greenhouse gas emissions compared with the highest-performing alternative technology or solution available on the market or the highest-performing alternative product available on the market. These life cycle analyses and their external verification should be based on certain guidelines and recommendations.

Continental did not have corresponding comparative life cycle analyses at its disposal in the reporting year, meaning that it is currently not possible to allocate taxonomy-aligned economic activities. For this reason, the DNSH criteria (Do No Significant Harm criteria) and the minimum safeguards along the value chain were not assessed according to specific economic activities.

Continental has evaluated compliance of its taxonomy-eligible activities under categories 3.18 and 3.19 with the qualification characteristics and the fulfillment of additional criteria set out with regard to substantial contribution to climate change mitigation. From Continental's perspective, the qualification characteristic (criterion) in the description of the activity 3.18 in the existing regulation leaves room for interpretation and therefore bears relevant uncertainty regarding suitable methodology needed to assess whether a product is essential for delivering and improving the environmental performance of the vehicle. In view of this fact, Continental considers its products listed in the European Commission Delegated Regulation (EU) 2023/2485 in Recital 9 to be in line with the description of activity 3.18. and the qualification characteristic included in it. These products were taken into account in the further course of the taxonomy alignment assessment.

The qualification characteristic (criterion) on the essentiality of components for the functioning of rail rolling stock contained in the description of the activity 3.19 allows Continental to take into consideration the full variety of the rolling stock portfolio for the further alignment assessment.

However, the consideration of the technical screening criteria for substantial contribution to climate change mitigation for activities 3.18 and 3.19 leads to narrowing of the product list for more in-depth analysis on the fulfillment of DNSH criteria to products allocated to zero tailpipe emission vehicles.

According to the EU Taxonomy Regulation, only activities that fulfill the DNSH criteria relevant for their respective category can be classified as taxonomy-aligned. The DNSH criteria for categories 3.18 and 3.19 contain a criterion on pollution prevention and control criterion, which is explained in more detail in Annex C of the European Commission Delegated Regulation (EU) 2023/2485.

The requirements of the EU Taxonomy for fulfilling the DNSH criterion mentioned above require the conduct and documentation of substitution tests for some substances and thus go beyond the currently applicable framework provisions. At present, Continental's management systems do not provide sufficient information to fulfill these additional requirements of the EU Taxonomy with regard to the monitoring of the substances used and the conduct of substitution tests for the substances listed in Annex C. Therefore, these requirements cannot be substantiated by Continental. Following an internal analysis of the technical screening criteria and in view of the uncertainties related to their interpretation, Continental does not currently classify any activities in categories 3.18 and 3.19 as taxonomy-aligned.

Taxonomy-aligned turnover, capital expenditure and operating expenditure

Since Continental does not currently report any activities as taxonomy-aligned, no taxonomy-aligned capital expenditure or operating expenditure according to Categories a and b are reported. Since no taxonomy-eligible capital expenditure or operating expenditure under Category c were identified, no taxonomy-aligned capital expenditure or operating expenditure under Category c are reported.

Information to Be Disclosed in Accordance with the EU Taxonomy Regulation

For the following overviews of taxonomy information, it should be noted that these were prepared in accordance with the guidelines for the templates in Annex 2 to the Delegated Regulation on Disclosure Obligations (EU) 2021/2178. Given the uncertainties and interpretations of the Taxonomy Regulation, this note is relevant since it means, for example, that the designations as environmentally sustainable or non-environmentally sustainable activities only relate to the assessment as per the EU Taxonomy Regulation and not more generally.

Templates in Accordance with the EU Taxonomy Regulation

Nuclear and fossil gas related activities

	Nuclear energy related activities	**Yes/No**
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	**Yes/No**
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Proportion of turnover from products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities – disclosure covering 2024

Financial year		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code[1]**	**Turn-over**	**Proportion of turnover, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023**	**Category enabling activity**	**Category transitional activity**
		€ millions	**%**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE-ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**0.0 %**		
of which enabling		0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %								0.0 %		
of which transitional		0	0.0 %	0.0 %													0.0 %		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low-carbon technologies	CCM 3.6	11,986	30.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								29.0 %		
Manufacture of automotive and mobility components	CCM 3.18	22,021	55.4 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								57.5 %.		
Manufacture of rail constituents	CCM 3.19	76	0.2 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2 %.		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**34,083**	**85.8 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**86.6 %**		
A. Turnover of Taxonomy-eligible activities (A.1.+A.2.)		**34,083**	**85.8 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**86.6 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**5,635**	**14.2 %**																
TOTAL (A + B)		**39,719**	**100.0 %**																

The tables listed here are the "templates for KPIs of non-financial undertakings" as required by Annex V of Delegated Regulation 2023/2486 of the EU Commission of June 27, 2023. For the sake of simplicity, Continental uses the following terms synonymously outside of these tables: "economic activities" and "business activities", "environmentally sustainable activities (Taxonomy-aligned)" and "Taxonomy-aligned economic activities", "Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)" and "Taxonomy-eligible economic activities".

1 The code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant annex covering the objective, i.e. here: climate change mitigation (CCM).

2 EL: Taxonomy-eligible activity for the relevant environmental objective; N/EL: Taxonomy-non-eligible activity for the relevant environmental objective.

Proportion of capital expenditure for products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities – disclosure covering 2024

Financial year		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code[1]	CapEx	Proportion of CapEx 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		€ millions	%	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	EL; N/EL[2]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
of which transitional		0	0.0%	0.0%													0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low-carbon technologies	CCM 3.6	665	30.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								34.3%		
Manufacture of automotive and mobility components	CCM 3.18	1,222	55.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								53.5%		
Manufacture of rail constituents	CCM 3.19	4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%.		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**1,892**	**85.8%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**87.9%**		
A. CapEx of Taxonomy-eligible activities (A.1.+A.2.)		**1,892**	**85.8%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**87.9%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**313**	**14.2%**																
TOTAL (A + B)		**2,204**	**100.0%**																

The tables listed here are the "templates for KPIs of non-financial undertakings" as required by Annex V of Delegated Regulation 2023/2486 of the EU Commission of June 27, 2023. For the sake of simplicity, Continental uses the following terms synonymously outside of these tables: "economic activities" and "business activities", "environmentally sustainable activities (Taxonomy-aligned)" and "Taxonomy-aligned economic activities", "Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)" and "Taxonomy-eligible economic activities".

1 The code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant annex covering the objective, i.e. here: climate change mitigation (CCM).

2 EL: Taxonomy-eligible activity for the relevant environmental objective; N/EL: Taxonomy-non-eligible activity for the relevant environmental objective.

Proportion of operating expenditure for products or services associated with Taxonomy-eligible and Taxonomy-aligned economic activities – disclosure covering 2024

Financial year		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code[1]**	**OpEx**	**Proportion of OpEx 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023**	**Category enabling activity**	**Category transitional activity**
		€ millions	**%**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**EL; N/EL[2]**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
of which transitional		0	0.0%	0.0%													0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low-carbon technologies	CCM 3.6	1,203	30.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19.6%		
Manufacture of automotive and mobility components	CCM 3.18	2,211	55.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								70.8%.		
Manufacture of rail constituents	CCM 3.19	8	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%.		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		**3,421**	**85.8%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**90.5%**		
A. OpEx of Taxonomy-eligible activities (A.1.+A.2.)		**3,421**	**85.8%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**90.5%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**566**	**14.2%**																
TOTAL (A + B)		**3,987**	**100.0%**																

The tables listed here are the “templates for KPIs of non-financial undertakings” as required by Annex V of Delegated Regulation 2023/2486 of the EU Commission of June 27, 2023. For the sake of simplicity, Continental uses the following terms synonymously outside of these tables: “economic activities” and “business activities”, “environmentally sustainable activities (Taxonomy-aligned)” and “Taxonomy-aligned economic activities”, “Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)” and “Taxonomy-eligible economic activities”.

1 The code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant annex covering the objective, i.e. here: climate change mitigation (CCM).

2 EL: Taxonomy-eligible activity for the relevant environmental objective; N/EL: Taxonomy-non-eligible activity for the relevant environmental objective.

Climate Change (ESRS E1)

Material Impacts, Risks and Opportunities Related to Climate Change

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative and positive impacts, risks and opportunities have been identified in relation to climate change. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As positive impacts as well as opportunities are strengthened by Continental's management approaches, the descriptions are presented from a net perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Risks 6, 7 and 9 represent climate-related physical risks. The remaining identified risks are transition risks.

Scope 1 and Scope 2 emissions

- Continental has moderate Scope 1 and 2 greenhouse gas emissions in own operations which contribute to global climate change and are therefore considered relevant for corporate responsibility. (see ESRS 2, IRO table, impact 2)
- Continental considers the negative impacts of its energy consumption to be limited. Taking into account the share of fossil fuels in energy consumption, it is considered relevant for the information needs of users of sustainability reporting. (see ESRS 2, IRO table, impact 5)
- Continental operates in industries and certain markets where fast-increasing regulatory requirements related to specific aspects of climate change mitigation could lead to a significant devaluation of real estate assets in specific businesses, especially in the medium-term, if not managed adequately and preventively. (see ESRS 2, IRO table, risk 10)
- Continental operates in regions and industries where a moderate increase in investment and operating costs related to climate change mitigation (e.g. transformation of production sites) or regulatory requirements (e.g. trading schemes) can be expected especially in the medium-term. This risk is considered relevant for the information needs of users of sustainability reporting. (see ESRS 2, IRO table, risk 12)
- Continental operates in regions and industries where, in the unlikely event of regulation allowing no or only limited overshoot of a 1.5°C temperature increase, a significant increase in investment and operating costs related to climate change mitigation can be expected especially in the medium-term. (see ESRS 2, IRO table, risk 13)

Scope 3, portfolio resilience and transition

- Continental has significant Scope 3 greenhouse gas emissions related to the so-called CO_2 backpack which especially includes the purchased goods and services as well as the disposal of products at the end of the life cycle. (see ESRS 2, IRO table, impact 1)
- Continental has substantive direct and indirect Scope 3 greenhouse gas emissions especially from the use phase of its products. (see ESRS 2, IRO table, impact 3)
- Continental develops and manufactures components and systems for zero-tailpipe-emission vehicles and low-carbon industries and thus presumably has to some extend positive impacts on the transition of markets to carbon neutrality which are considered to be relevant for further expansion. (see ESRS 2, IRO table, impact 4)
- Continental's product portfolio serves markets which are transforming considerably because of climate change-related regulatory requirements and market trends (e.g. gradual shift away from combustion engines or phase-out of fossil fuels). Given the broadness of Continental's portfolio, some product segments and the business with specific customer groups might face transformational challenges and the speed of change could exceed the potential speed of adaptation. This can, if not managed adequately, lead to significant loss in sales in the respective businesses, especially in the long run. (see ESRS 2, IRO table, risk 8)
- Continental's product portfolio serves markets in which, in the unlikely event of regulation allowing no or only limited overshoot of a 1.5°C temperature increase, would result in extreme transformation (e.g. abrupt phase-out of combustion engines and fossil fuels). Given the broadness of Continental's portfolio, most product

- segments and the business with most customer groups would face extreme transformational challenges and the speed of change would exceed the potential speed of adaptation. This could, if not managed adequately, potentially lead to a critical loss in sales in the respective businesses, especially in the medium term. (see ESRS 2, IRO table, risk 15)
- Continental's product portfolio serves markets which are also transforming considerably because of climate change mitigation-related regulatory and market trends (e.g. zero-tailpipe-emission vehicles). This could increase demand for certain businesses of Continental. If Continental can utilize these trends effectively, specific businesses (e.g. dealing with brakes, high performance tires and hydrogen) can profit directly or indirectly from significant growth opportunities or even new business areas/models in the medium term. (see ESRS 2, IRO table, opportunity 16)

Climate change adaptation

- Continental operates in regions and industries where a significant increase in investment and operating costs related to climate change adaptation could be expected, particularly in the long term, considering physical climate change, especially in terms of temperature increases and the associated need for cooling. (see ESRS 2, IRO table, risk 9)
- Continental is present in regions and at locations where a risk of limited devaluation of real estate assets and/or stranded assets due to physical climate change, with increasing extreme weather events, might be possible especially in the long term, if not managed preventively. This risk is considered relevant for the information needs of users of sustainability reporting. (see ESRS 2, IRO table, risk 6)

Supply chain resilience and transition

- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers operate in industries and certain markets which might be subject to increasing regulatory requirements and major transformation in relation to climate change mitigation (e.g. trading systems and the transition of suppliers' production sites). In addition, the demand for products and services with a low carbon footprint might increase faster than the supply. Both aspects can lead to significantly higher costs for materials, components and/or services especially in the medium term, if not managed preventively. (see ESRS 2, IRO table, risk 11)
- Continental buys numerous products and services from a global supplier base. Continental's direct and indirect suppliers also operate in industries and certain markets which could be subject to extreme transformation and regulatory requirements related to climate change mitigation in the unlikely event of a regulation allowing no or only limited overshoot of a 1.5°C temperature increase. In addition, the demand for products and services with a low carbon footprint might increase faster than the supply. Both aspects might possibly lead to a critical increase in costs for materials, components and/or services in the medium term, if not managed preventively. (see ESRS 2, IRO table, risk 14)
- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers operate in geographies, industries and certain markets which might be affected by physical climate change, including more extreme weather events and increasing long-term climate change. This can lead to moderate supply chain interruptions or material shortages especially in the long term, if not managed preventively. This risk is considered relevant for the information needs of users of sustainability reporting. (see ESRS 2, IRO table, risk 7)

Resilience Analysis

The analysis of the resilience of Continental's strategy and business model to the climate change along the entire value chain is integrated into the general IRO assessment (see subsection Overview of material impacts, risks and opportunities in the General disclosures (ESRS 2) section).

In the process of identifying and assessing risks and opportunities as part of the general IRO assessment, Continental took into consideration several factors and scenarios. The scenarios are described in the subsection Specifics of the IRO assessment in relation to climate change in the General disclosures (ESRS 2) section. The use of scenarios and assumptions by definition leads to uncertainties in the outcome of the analysis. Further factors considered included especially the following: reduced overall emissions of greenhouse gases (GHG) and reduced energy consumption due to a switch of fuels towards low-carbon alternatives, enhanced energy efficiency, increased deployment of renewable energy, higher production share of zero-tailpipe-emission vehicles as well as different speeds of transition to low-carbon technologies. To assess the resilience of Continental's business model to the identified risks and opportunities, a net assessment was carried out considering the existing management approaches, targets and key actions to achieve the targets related to climate change.

Based on the IRO assessment considering the associated limitations, uncertainties, time horizons and assumptions as outlined in subsection Process for identifying and assessing material IROs in the General disclosures (ESRS 2) section as well as taking into account the management approaches Continental considers its business model and strategy to be resilient. The management approaches, targets and key actions laid out in this section for achieving the targets describe Continental's capability to reduce its material negative impacts, increase positive impacts, manage risks and seize opportunities over short-, medium- and long-term. Continental also assumes that these capabilities will continue to develop over time.

Management Approaches to Climate Change Mitigation, Climate Change Adaptation, Energy Efficiency and Renewable Energy

Regarding climate change, Continental has implemented management approaches that include the following IRO clusters: Scope 1 and Scope 2 emissions, Scope 3 emissions, portfolio resilience and transition, climate change adaptation, and supply chain resilience and transition. The following table illustrates the topic areas that are addressed by the specific management approaches.

	Climate change mitigation	Climate change adaptation	Energy efficiency	Renewable energy deployment
Scope 1 and Scope 2 emissions	X		X	X
Scope 3 emissions, portfolio resilience and transition	X		X	X
Climate change adaptation		X		
Supply chain resilience and transition	X	X		

Scope 1 and Scope 2 emissions
Continental pursues the ambition of achieving full carbon neutrality for its own operations by 2040 and for the entire value chain by 2050 at the latest. To support this ambition, Continental has implemented a management approach that focuses on minimizing negative environmental impacts and risks in relation to Scope 1 and Scope 2 GHG emissions. The management approach also addresses the minimization of transition risks related to Scope 1 and Scope 2.

The management approach for Scope 1 and Scope 2 GHG emissions covers the entire Continental Group and focuses especially on the production sites, as they are particularly emission-intensive compared to other types of locations.

Responsibility for the operational implementation of the management approach to reduce GHG emissions lies with the respective legal entities. The local management is supported by various functions in the organization, e.g. by the departments such as operations, infrastructure, real estate management and purchasing. The Group's internal framework is defined by the responsible departments (e.g. environment and operations) of Continental and is monitored by the Executive Board of the overall Group as well as the individual group sector boards.

Continental has established several processes to continuously reduce Scope 1 and Scope 2 emissions, to promote the transition to carbon neutrality and to create a framework for specific quantified targets and measures.

Continental pursues a GHG reduction target covering Scope 1 and market-based Scope 2 GHG emissions. Progress is monitored through regularly reported emission values (see subsection Targets related to climate change). The process includes dedicated GHG data analyses at various organizational levels and – where necessary – updates to the target paths. The results are regularly presented to the Sustainability Steering Committee. GHG emission data serves as the basis for the creation of an overarching Decarbonization Roadmap 2040 (see subsection Key actions for target achievement), which provides a framework for implementing the necessary measures and is regularly updated based on actual emission values. Continuous calibration of the levers required to pursue the target path is a key element of the roadmap process. The Decarbonization Roadmap 2040 applies to the whole Continental Group and is further operationalized in the group sectors through their own roadmaps for technology transition. Formalized regular exchange on best practices (e.g. by functions such as infrastructure and environment) supports the implementation of technical solutions and the corresponding program management within Continental's group sectors.

The implementation of the Decarbonization Roadmap 2040 is also supported by measures to optimize energy consumption and energy costs. This also includes the expansion of capacities for the in-house generation of electricity from renewable sources as a substitute for the external purchase of green electricity (see subsection Key actions for target achievement). General increases in energy efficiency (e.g. through LED lighting) are part of the continuous improvement processes within the local environmental and energy management systems.

Regarding the risk of a devaluation of its own real estate because of climate change mitigation regulations, Continental is striving to increase transparency regarding its real estate portfolio. To this end, a system that provides information on ESG-relevant real estate data (including the GHG emissions caused by the operation of the buildings) was tested at some pilot locations and in some acquisition transactions in the reporting year.

The framework for the management approach for Scope 1 and Scope 2 emissions is set by internal climate protection rules, the Decarbonization Roadmap 2040 and the sustainability ambition.

Within the management approach and local management systems, the standards ISO 14001 (Environmental management systems) and ISO 50001 (Energy management systems) are applied. The calculation and reporting of GHG emissions are carried out in accordance with the standards set by the GHG protocol. Furthermore, multiple climate change mitigation agreements (e.g. the Paris Agreement) as well as regulatory requirements (e.g. the EU Emissions Trading System) serve as references.

The management approach for Scope 1 and Scope 2 GHG emissions considers the global interest in climate change mitigation of various stakeholders. The expectations and requirements of customers and capital markets to make a positive contribution to climate change mitigation through their value chains are at the forefront.

Communication of the management approach takes place internally via various conferences and publications on the company-wide intranet. The management approach is communicated to external stakeholders by means of sustainability reporting, press releases, dialogues with customers and investors, as well as trade fairs.

Scope 3 emissions, portfolio resilience and transition

The management approach for Scope 3 emissions, portfolio resilience and transition aims to support Continental on its path to carbon neutrality along the entire value chain by 2050 at the latest. As described in the IROs (see subsection Material impacts, risks and opportunities related to climate change), Continental operates in industries that are undergoing major changes. The main objective of the management approach is to successfully steer own operations, taking into account the different transformation speeds of our customers, sectors and markets.

The management approach encompasses the entire Continental Group, its global portfolio and covers all 15 categories of Scope 3 GHG emissions as defined by the GHG Protocol. The focus here is on the most relevant categories associated with the use phase of the products sold (category 11) and the carbon backpack. It includes especially purchased goods and services (category 1), capital goods (category 2) and emissions at the end of the life cycle (category 12).

Steering and adaptation of the respective portfolio take place in the responsible business functions, e.g. research and development (R&D), product design, supply chain management and purchasing. These are supported by the sustainability departments. Oversight of the portfolio management is exercised by the Executive Board through, for example, the strategy process.

The management approach comprises processes to create transparency, identify levers and implement relevant measures.

The basis for the management of Scope 3 emissions, portfolio resilience and transition is the transparency with regard to the 15 categories of Scope 3 GHG emissions and our portfolio of zero-tailpipe-emission vehicles. Levers to reduce emissions are identified on a continuous basis in the respective processes, with a focus on the use phase and the carbon backpack.

The mitigation of material risks and impacts from the use phase of products is primarily related to managing the portfolio resilience and transition in the respective businesses. Important related processes are market monitoring, optimization of R&D activities, active portfolio management and a close dialogue with customers. This also includes regular assessments of the transferability of the portfolio on the path to carbon neutrality.

For Scope 3 GHG backpack emissions, the core resource inflow aspects related to the purchased goods, services and capital goods are mainly managed within the relevant functions. The corresponding management practices include, for example, selection of less emission-intensive materials and suppliers, the active supplier development and the commitment of suppliers to climate change mitigation. These practices are integrated in our general procurement and supplier management processes, which are managed by the purchasing functions. In addition, product design that focuses on reducing the carbon footprint of products is another measure that is handled by the product development and R&D departments.

Aspects in connection with the emissions at the end of the life cycle are mainly managed within product design processes, e.g. by focusing on easier disassembly for reutilization and developing less emission-intensive recycling methods (see Resource use and circular economy (ESRS E5) section). Further potential for minimizing emissions lies in optimizing the transportation of goods, business travel and employee commuting as well as other processes in connection with the carbon backpack.

Continental's sustainability ambition sets the overarching framework for the definition and implementation of measures. For the different business process, further internal rules apply directly or indirectly addressing climate change mitigation.

In addition, the management approach is based on the GHG Protocol and related standards (e.g. Corporate Value Chain (Scope 3) accounting and reporting standard) as external frameworks for CO_2 emissions accounting.

The management approach and associated measures take into consideration in particular the requirements of customers and the requests of investors. Consultations and dialogue with suppliers are key elements for the implementation of carbon backpack-related levers.

Continental communicates its approach to managing Scope 3 emissions as well as portfolio resilience and transition externally through reporting, trade fairs, press releases and investor dialogue. Internal communication takes place via various channels such as sustainability and product-related conferences, working groups and the company-wide intranet.

Climate change adaptation

To mitigate the risks of a devaluation of the real estate portfolio and of rising operating costs and investments due to physical climate change, Continental has established management approaches that cover the processes for selecting real estate and company locations as well as technical measures for adapting new production sites and measures aimed at changing the behavior of employees.

These approaches cover Continental's own operations. The focus is on assets that may bear certain limitations in terms of their adaptability and on potential new locations.

The primary responsibility for the implementation of the risk mitigation measures lies with the operational business, supported by various functions within the organization, e.g. real estate management, Continental insurance services as well as technical departments specialized in buildings and infrastructure.

When selecting new operating sites, Continental considers, among other things, risks associated with existing exposure to extreme weather events, which could be exacerbated by physical climate change. To avoid these potential new risks by adding new locations to the real estate portfolio, Continental has included corresponding requirements in its guidelines for the selection process for new locations. The aim of these requirements is to gain knowledge about the exposure of assets considered to a variety of weather events and other natural disasters and to incorporate the results of the assessment in the final decision.

In the existing real estate portfolio, the climate conditions are monitored at the respective locations. As part of the improvement and optimization of production processes and working conditions, the sites assess cost-efficient options for heating, cooling and ventilation case-by-case, considering the potential for reducing energy costs and other operating costs, which is particularly relevant in relation to risks associated with long-term climate change (such as rises in temperature). Respective measures are implemented locally within regular site management processes and in alignment with the centrally supporting departments.

An additional lever for curbing the increasing operating costs is to raise employee's awareness of the impact that individual behavior patterns have on the development of the overall energy demand.

The implementation of this lever includes, for example, various training courses and campaigns promoting the importance of the responsible use of energy to reduce the costs related to heating, cooling, and ventilation.

In addition, risk reduction regarding certain natural hazards and extreme weather events, considering the given current exposure, is part of the location-related actuarial risk management process with the resulting organizational and technical measures. Responsibility for implementing these measures lies with the operating business.

The selection process for new locations and the management of the real estate portfolio follow the general internal rules. Continental also has its own requirements for building construction and operation, which consider factors such as insulation, for example.

In addition, the Decarbonization Roadmap 2040 described in the management approach for Scope 1 and Scope 2 emissions provides a supporting set of rules for reducing the costs of cooling, heating, and ventilation.

The management approach relies on international standards ISO 14001 and ISO 50001 related to energy management and the technical requirements of the buildings, including the consideration of local regulatory requirements.

In the processes of implementation of the management approach regarding climate change adaptation, especially the interests of Continental's employees regarding working conditions (e.g. temperature and fresh air) at the relevant locations are considered.

Communication with employees generally takes place at location level. Detailed information on the general forms of engagement and communication with employees are included in the Own workforce (ESRS S1) section.

Supply chain resilience and transition

With the management approach for supply chain resilience and transition, Continental aims to ensure continuity in the supply chains, prevent interruptions and successfully reduce the cost pressure associated with the transition. In this connection, Continental strives to strengthen the overall resilience of the supply chain and thus to be prepared to manage the risks that arise in certain supply chains in the medium and long term.

The management approach for supply chain resilience and transition focuses on the Continental Group's upstream value chain, and particularly on the direct supplier base. There are no geographical restrictions or product group limitations.

Responsibility for compliance with the relevant processes lies with Continental's purchasing and supply chain management functions, which are supported by internal risk management. The processes are monitored as part of general business supervision at various organizational levels.

Management of the climate-related aspects of supply chain resilience and transition is integrated into the general processes for managing supply chain resilience. These processes are handled closely to the operational business and are integrated into the general practices regarding purchasing, supply chain management and risk management on different levels of the organization. Various aspects are considered during the procurement process, including strategic factors such as security of supply in the event of extreme weather events, which could be exacerbated by climate change. Further information on the relevant processes can be found in the Report on risks and opportunities section of the management report.

The processes are guided by a set of general rules for the related functions on different levels of the organization.

The management approach is not based on a specific external set of rules.

Close dialogue with customers and suppliers is a key element of the management approach.

As the processes are implemented close to operational business, communication with internal stakeholders takes place mainly within the respective businesses. The primary form of external communication is close dialogue with customers and suppliers.

Targets Related to Climate Change

Following its sustainability ambition, Continental has set a public sustainability target (PST) related to climate change that aims at the reduction of Scope 1 and market-based Scope 2 GHG emissions to an absolute value of 0.5 million metric tons of CO_2 equivalent (million tCO_2e) by 2035.

The interim target for 2030 is to reduce Scope 1 and market-based Scope 2 GHG emissions to 0.7 million tCO_2e.

Both the main and the interim target are set as absolute values and measured in millions of metric tons of CO_2 equivalents (million tCO_2e).

The formalized target commitment to reduce Scope 1 and market-based Scope 2 GHG emissions is a key element of the corresponding management approach to Scope 1 and Scope 2 emissions and the subsequent key actions. The transition towards and, in the end, the achievement of the target allows Continental to mitigate negative impacts and risks connected to Scope 1 and Scope 2 GHG emissions.

The target covers the combined Scope 1 and market-based Scope 2 GHG emissions. In view of the relatively low amount of remaining market-based Scope 2 GHG emissions (see subsection Key actions for target achievement), the reduction of Scope 1 GHG emissions is a particular focus and will contribute the major share to the GHG emissions reductions. The target value was defined in alignment with the guidance of the GHG Protocol on calculating Scope 1 and market-based Scope 2 GHG emissions and includes the greenhouse gases described in the metric "Combined own Scope 1 and market-based Scope 2 GHG emissions." Consequently, the greenhouse gases covered by the target and considered in the metrics are consistent with the limits of the greenhouse gas inventory.

The scope of the main and interim targets extends to the Continental Group's own operations.

The original target trajectory was developed using the base year 2019. The originally publicly reported baseline value amounted to 3.2 million tCO_2e for Scope 1 and location-based Scope 2 GHG emissions. The chosen base year is representative in terms of external factors affecting the energy consumption and hence, GHG emissions. Due to a relevant change to the company structure in 2021 as well as the introduction of the market-based approach for the reporting of Scope 2 GHG emissions, a comparable reference value for the base year 2019 was re-modeled ex-post, and is estimated to around 2.8 million tCO_2e. Continental points out that there are uncertainties connected to the data model. In 2024, by decision of the Sustainability Steering Committee, the target was reconfirmed without changes to the target value, target pathway or target year. The baseline values for the reconfirmed target can be seen in the metric "Combined own Scope 1 and market-based Scope 2 GHG emissions." The metric complies with the ESRS requirements for the calculation of Scope 1 and Scope 2 GHG emissions.

Continental is of the opinion that the set Scope 1 and Scope 2 target is based on scientific evidence. It should be noted that relevant uncertainty remains regarding the breakdown of the global reduction pathway in line with the 1.5°C scenario down to the company level. Greater uncertainties are also associated with the allocation of the CO_2 budgets to the various industrial sectors and the extent to which of so-called negative emissions (CO_2 removals) can be used if the 1.5°C path is exceeded to a limited extent. Continental's climate target was reviewed by the Science Based Targets initiative (SBTi) in 2020, using the original base year 2019 as a benchmark. A re-validation by the SBTi did not take place. Based on the Continental's ambition to achieve carbon neutrality in own operations by 2040 at the latest and on the applied methodology, linear derivations of the required emissions values for the year 2030 were validated and confirmed as being compliant with the Paris Agreement. Considering the modeled reference value and the updated pathway, Continental views its emissions reduction target to be still in line with the level of ambition of the original reduction pathway.

The target setting followed the methodology of an absolute reduction as described by SBTi in the framework "Foundations of Science-based Target Setting (Version 1.0)", including the defined underlying climate and policy scenarios. The derivation was based on a cross-sector emissions pathway.

No anticipated external developments and their impact on greenhouse gas emissions were explicitly considered when setting the target. Significant changes to Continental's company structure, product portfolio or production volumes might lead to the adjustment of the target values.

In 2024, no changes were made to the target values.

When setting the target, Continental considered the interests of different stakeholders (such as customers, authorities), e.g. by applying the SBTi methodology.

To reach the target level of GHG emissions, Continental has identified two primary decarbonization levers.

- Continued purchase of green electricity: Continental purchases electricity exclusively from renewable energy sources. Various contractual instruments are used for this purpose, which are listed in the corresponding metrics. Continuation of this approach allows the avoidance of market-based Scope 2 GHG emissions from electricity consumption.
- Technological transformation: This lever is closely linked to the operational processes and is formalized in the technology transformation roadmaps of the individual group sectors. It consists primarily of the sub-levers such as the phase-out of coal, the gradual phase-out of other fossil fuels, the switch to biofuels and biomass as well as increased electrification of production processes that were previously run on fossil fuels.

According to Continental's assessment, the targeted GHG reductions will be fully, i.e. to 100%, achieved through combination of the two aforementioned decarbonization levers. The two levers are inextricably linked, and both have a simultaneous effect on Scope 1 and Scope 2 emissions. Any further breakdown of the contributions into Scope 1 and Scope 2 is therefore not meaningful.

Continental sees the increase in energy efficiency and the expansion of capacities for self-generation of electricity from renewable sources primarily not as direct, but as supporting levers for target achievement.

Continental is of the opinion that the implementation of these levers with the speed required to achieve the target is in line with the 1.5°C pathway as set out in the original target setting.

The operationalization of these decarbonization levers through the key actions is reflected in the Decarbonization Roadmap 2040, with which Continental is creating a framework for target achievement.

Continental's progress regarding the set emissions reduction target can be derived from the metric "Combined own Scope 1 and market-based Scope 2 GHG emissions."

Progress is measured using the defined metric, which was fully adapted to the ESRS requirements in 2024. In 2024, there were no significant changes to the business model and business activities that could potentially affect the target achievement. In Continental's opinion, progress towards achieving the target by 2024 is in line with the original plans.

Key Actions for Target Achievement

Continental has defined concrete key actions to achieve its Scope 1 and market-based Scope 2 GHG emissions reduction target set for 2035 and to further foster the transition to carbon neutrality. Corresponding decarbonization measures are embedded in the operational activities and are gradually being developed and implemented by the individual legal entities. The decentralized approach pursued leads to a large number of measures that are completed through specific projects with individual completion timelines ranging from short-term to long-term.

Continental's climate change mitigation measures cover all types of activities in own operations.

The Decarbonization Roadmap 2040 introduced in 2021 is the internal set of rules for determining the key actions required to achieve the emissions reduction target.

The Decarbonization Roadmap 2040 focuses on the most important levers (see subsection Targets related to climate change) which are further operationalized through concrete actions.

Continued purchase of green electricity
Continental purchases electricity solely from renewable energy sources. In doing so, Continental makes use of green electricity contracts, power purchase agreements and other contractual instruments. For volumes of purchased electricity that are not covered by contractual instruments, Continental purchases energy attribute certificates that comply with the specified quality criteria. This key action is implemented by the respective legal entities in close cooperation with the central purchasing and environmental departments who ensure a holistic approach and full coverage of the externally purchased electricity volumes through corresponding instruments.

Technological transformation
Technological transformation takes place within the responsible legal entities supported by central functions (e.g. operations or infrastructure). As part of group sector-specific roadmap implementation programs, suitable concrete measures for the respective locations and production processes, as well as the sequence of their implementation at location level are analyzed and decided upon.

At the tire plant in Lousado, Portugal, for example, an electric boiler was put into operation in 2024 to generate steam required for the production processes. Gas, which was previously used as an energy source for steam generation, was replaced by green electricity.

Similar projects regarding the levers identified for target achievement are implemented at various locations if this is technically and economically feasible. Selection of the projects is part of the general investment process applying generally applicable criteria for decision-making as well as the allocation of capital. The investment budget is determined as part of financial planning. In the event of a positive investment decision, the necessary financial resources are thus made available for the project.

The metrics for the achieved and expected GHG emissions reductions as a result of the implementation of such projects are set out in the tables below.

Achieved GHG reduction	2024
Scope 1 and market-based Scope 2 GHG reduction achieved, in million tCO_2e	0.217

Definitions, assumptions, and calculation methods:
- *The metric is calculated as the difference between the Scope 1 and market-based Scope 2 greenhouse gas (GHG) emissions from the base year of the Decarbonization Roadmap 2040 (2021) and the Scope 1 and market-based Scope 2 GHG emissions at the end of the reporting year.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Expected GHG reduction	2024
Expected Scope 1 and market-based Scope 2 GHG reduction, in million tCO_2e	0.333

Definitions, assumptions, and calculation methods:
- *The metric is calculated as difference between the Scope 1 and market-based Scope 2 GHG emissions at the end of the reporting year and the target value for Scope 1 and market-based Scope 2 GHG emissions in 2035 (see subsection Targets related to climate change).*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Capital expenditures and operating expenditures for key actions to implement the targets related to climate change

OpEx for key actions	2024
OpEx for key actions to implement the targets related to climate change, in € millions	5

Definitions, assumptions, and calculation methods:
- *The Decarbonization Roadmap 2040 covers Scope 1 and market-based Scope 2 GHG emissions.*
- *Data is collected at the level of the key actions. Operating expenditures (OpEx) for key actions to implement the targets related to climate change are considered.*

CapEx for key actions	2024
CapEx for key actions to implement the targets related to climate change, in € millions	3

Definitions, assumptions, and calculation methods:
- *The Decarbonization Roadmap 2040 covers Scope 1 and market-based Scope 2 GHG emissions.*
- *Data is collected at the level of the key actions. Investments (CapEx) for key actions to implement the targets related to climate change are considered.*

Planned OpEx for key actions	Next 5 years
Planned OpEx for key actions to implement the targets related to climate change, in € millions	28

Definitions, assumptions, and calculation methods:
- *The Decarbonization Roadmap 2040 covers Scope 1 and market-based Scope 2 GHG emissions.*
- *The time horizon applied is in line with the approved long-term planning.*
- *Data is collected at the level of the key actions. Operating expenditures (OpEx) for key actions to implement the targets related climate change are considered.*

Planned CapEx for key actions	Next 5 years
Planned CapEx key actions to implement the targets related to climate change, in € millions	13

Definitions, assumptions, and calculation methods:
- *The Decarbonization Roadmap 2040 covers Scope 1 and market-based Scope 2 GHG emissions.*
- *The time horizon applied is in line with the approved long-term planning.*
- *Data is collected at the level of the key actions. Investments (CapEx) for key actions to implement the targets related to climate change are considered.*

Interrelation CapEx and OpEx

Information on capital expenditures (CapEx) can be found in Note 1 of the notes to the consolidated financial statements. The information refers to capital expenditure in the intangible assets (Note 13), property, plant and equipment (Note 14), leases (Note 15) and investment property (Note 16) presented in the notes to the consolidated financial statements.

Continental does not report any taxonomy-aligned economic activities and consequently no capital expenditure plan in accordance with European Commission Delegated Regulation (EU) 2021/2178.

The CapEx for key actions to implement the targets in connection with climate change mitigation mainly fall under taxonomy-eligible capital expenditure.

Operating expenditure in accordance with the Commission Delegated Regulation (EU) 2021/2178 relate to the total of maintenance costs, building refurbishment measures and research and development costs. The key actions for implementing the targets related to climate change are defined differently.

Transition Plan for Climate Change Mitigation

Continental's partially formalized transition plan covers all relevant impacts, risks and opportunities and consists of a combination of ambitions, management approaches, targets, and key actions. Continental's management approach to Scope 1 and Scope 2 emissions, the corresponding target and the Decarbonization Roadmap 2040 form the basis for the transition plan for climate change mitigation in own operations. Furthermore, the management approaches to Scope 3 emissions, portfolio resilience and transition, are highly important for Continental's transition towards carbon neutrality.

The key elements of the transition plan, such as the target (see subsection Targets related to climate change), the key actions (see subsection Key actions for target achievement) and the management approaches (see subsections Management approaches to climate change mitigation, climate change adaptation, energy efficiency and renewable energy) have been approved by the Executive Board of the Continental Group.

Continental is of the opinion that the reduction target for Scope 1 and market-based Scope 2 GHG emissions as one of the key elements of the transition plan is in line with the Paris Agreement and a 1.5°C pathway (see subsection Targets related to climate change).

Continental has no knowledge of being exempt from the EU Paris-aligned benchmarks.

To achieve the set GHG emission reduction target, Continental has identified two primary decarbonization levers (see subsection Targets related to climate change), which are addressed by the defined actions (see subsection Key actions for target achievement). Furthermore, levers for Scope 3 emissions are operationalized by the described management approaches.

For a detailed description of the actions and associated metrics that provide information regarding the progress of the implementation of the transition plan, see subsection Key actions for target achievement.

As part of the IRO assessment (see subsection Overview of material impacts, risks and opportunities in the General disclosures (ESRS 2) section), Continental analyzed the potential locked-in GHG emissions in the key assets. The conclusion from the analysis was that, due to their insignificance, they do not jeopardize the achievement of the defined GHG emissions reduction target and do not foster any transition risks. The identified levers for achieving the emissions reduction target are applicable to all assets and are in line with the overarching ambition of achieving carbon neutrality in own operations by 2040.

The sustainability strategy and Decarbonization Roadmap 2040 are integral parts of the overall business strategy and play a key role in transitioning to a more sustainable business model. Whenever implementation of the corresponding actions requires substantial financial funding, it is reflected in the financial planning and budgeting processes accordingly.

CapEx and OpEx for key actions	2024
Total amount of CapEx and OpEx for key actions to implement the targets related to climate change, in € millions	50

Definitions, assumptions, and calculation methods:
- *This metric only covers the key actions and no other elements of the transition plan.*
- *The Decarbonization Roadmap 2040 covers Scope 1 and market-based Scope 2 GHG emissions.*
- *Data is collected at the level of the key actions. Capital expenditure (CapEx) and operating expenditure (OpEx) for key actions to implement targets related to climate change are included.*

Currently, Continental's transition plan does not provide for a portfolio transition with the aim of meeting the criteria set out in the Commission Delegated Regulation (EU) 2021/2139 regarding taxonomy-aligned economic activities. In addition, Continental is not reporting any taxonomy-aligned economic activities for 2024.

Internal CO_2 Pricing System

According to Continental's interpretation of the regulatory requirements of the ESRS regarding internal CO_2 pricing systems, such a mechanism is not used at Continental. To incentivize the transition to carbon neutrality, Continental has created the option for its legal entities to take internal CO_2 shadow prices into account as a supporting factor in investment decision-making processes. The system has a non-binding character. The companies decide independently whether to include the optional CO_2 shadow price for certain investment projects as an additional factor for calculating the internal rate of return (IRR) which is the steering-relevant KPI. The optional shadow price is determined based on Continental's expectations regarding the future development of external CO_2 prices. Due to specifics of the non-binding character and subsequently the limited application scope, estimates on the share of GHG emissions covered by the CO_2 pricing system are not representative.

Metrics Related to Climate Change

Gross Scopes 1, 2 and 3 emissions and total GHG emissions

	Retrospective				Milestones and target years			
Combined own Scope 1 and market-based Scope 2 GHG emissions	Base year (2019)	2023	**2024**	Δ PY in %	2025	2030	2035	Calculated linear reduction rate per year, in %
Combined own Scope 1 and market-based Scope 2 GHG emissions, in million tCO_2e	2.791	–	**0.833**	–	–	0.700	0.500	6.25

Definitions, assumptions, and calculation methods:
- *Gross GHG emissions from Scope 1 and market-based Scope 2 as shown in the following table are considered.*
- *The following greenhouse gases are covered: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); sulfur hexafluoride (SF_6); nitrogen trifluoride (NF_3); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs).*
- *The calculation is performed in accordance with the assumptions and methodologies set out in the corresponding tables for Scope 1 and Scope 2 GHG emissions.*
- *The emissions from the base year 2019 were recalculated based on organizational changes and adjustments to the definition of the indicator.*
- *The metric is entity-specific.*

Scope 1 and Scope 2 GHG emissions	Retrospective: Base year	Retrospective: 2023	Retrospective: 2024	Retrospective: Δ PY in %	Milestones and target years: 2025	Milestones and target years: 2030	Milestones and target years: 2035	Reduction rate (Annual % target / Base year)
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions, in tCO_2e	**–**	**–**	**671,731**	**–**	**–**	**–**	**–**	**–**
Consolidated accounting group, in tCO_2e	–	–	*671,731*	–	–	–	–	–
Investees, in tCO_2e	–	–	*0*	–	–	–	–	–
Percentage of Scope 1 GHG emissions from regulated emissions trading systems, in %	–	–	19.4	–	–	–	–	–
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions, in tCO_2e	**–**	**–**	**1,424,774**	**–**	**–**	**–**	**–**	**–**
Consolidated accounting group, in tCO_2e	–	–	*1,424,774*	–	–	–	–	–
Investees, in tCO_2e	–	–	*0*	–	–	–	–	–
Gross market-based Scope 2 GHG emissions, in tCO_2e	**–**	**–**	**161,504**	**–**	**–**	**–**	–	**–**
Consolidated accounting group, in tCO_2e	–	–	*161,504*	–	–	–	–	–
Investees, in tCO_2e	–	–	*0*	–	–	–	–	–
Percentage of energy purchased with contractual instruments, in %	–	–	84.7	–	–	–	–	–

Definitions, assumptions, and calculation methods:

Gross Scope 1 GHG emissions
- *Definitions and calculations according to GHG Protocol Corporate Standard (version 2004).*
- *Emissions factors for refrigerants in accordance with Regulation (EU) 2024/573 of the European Parliament and of the Council from February 7, 2024 on fluorinated greenhouse gases are considered. These are based on the IPCC 4 and not on the more recent IPCC 6, which does not result in any significant effects.*
- *Scope 1 comprises emissions from the combustion of energy sources in own processes. Emission factors of IEA Static, GHG Protocol and DEFRA are applied.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Gross Scope 1 GHG emissions – consolidated accounting group
- *Continental considers Scope 1 emissions of the relevant fully consolidated companies.*

Gross Scope 1 GHG emissions – investees
- *Continental has no operational control of investees; therefore, they are not relevant for Scope 1 emissions. Relevant emissions from investees are included in Scope 3.*

Percentage of Scope 1 GHG emissions from regulated emissions trading systems
- *The EU Emissions Trading System (EU ETS) and the Shanghai Pilot ETS are considered.*
- *Scope 1 GHG emissions from the entire location that fall under these emissions trading systems are considered.*

Gross Scope 2 location-based GHG emissions
- *Definitions and calculations according to GHG Protocol Corporate Standard (version 2004).*
- *Average electricity grid emissions factors by country are applied. These come from IEA Static, GHG Protocol and DEFRA.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Gross Scope 2 location-based GHG emissions – consolidated accounting group
- *Continental considers Scope 2 location-based emissions of its relevant fully consolidated companies.*

Scope 2 location-based GHG emissions – investees
- *Continental has no operational control of investees; therefore, they are not relevant for Scope 2 emissions. Relevant emissions from investees are included in Scope 3.*

Gross Scope 2 market-based GHG emissions
- *Definitions and calculations according to GHG Protocol Corporate Standard (version 2004).*
- *Contract-specific emission factors are applied.*
- *Emissions from steam and district heat are calculated using confirmed emission factors from local energy suppliers. If these factors are not available, location-based emission factors (see Gross Scope 2 location-based GHG emissions) are used.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Scope 2 market-based GHG emissions – consolidated accounting group
- *Continental considers Scope 2 location-based emissions of its relevant fully consolidated companies.*

Scope 2 market-based GHG emissions – investees
- *Continental has no operational control of investees; therefore, they are not relevant for Scope 2 emissions. Relevant emissions from investees are included in Scope 3.*

Percentage of energy purchased with contractual instruments
- *Energy purchased using contractual instruments (on-site PPA, off-site PPA, Green Tariff, Energy Attribute Certificates) is considered.*
- *The specification represents the share of energy purchased with contractual instruments in relation to the total amount of purchased energy with relevance for Scope 2.*
- *The data is collected by the individual company locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

	Retrospective				Milestones and target years			
Significant Scope 3 GHG emissions in tCO_2e	Base year	2023	**2024**	Δ PY in %	2025	2030	2035	Reduction rate (Annual % target / Base year)
Total gross indirect (Scope 3) GHG emissions	**–**	**–**	**99,418,244**	**–**	**–**	**–**	**–**	**–**
1. Purchased goods and services	–	–	14,270,642	–	–	–	–	–
2. Capital goods	–	–	826,610	–	–	–	–	–
3. Energy and fuel-related activities (not included in Scope 1 or Scope 2)	–	–	458,530	–	–	–	–	–
4. Upstream transportation and distribution	–	–	977,819	–	–	–	–	–
5. Waste generated in operations	–	–	32,368	–	–	–	–	–
6. Business travel	–	–	64,428	–	–	–	–	–
7. Employee commuting	–	–	206,684	–	–	–	–	–
8. Upstream leased assets	–	–	0	–	–	–	–	–
9. Downstream transportation and distribution	–	–	304,692	–	–	–	–	–
10. Processing of sold products	–	–	51,558	–	–	–	–	–
11. Use of sold products	–	–	78,510,936	–	–	–	–	–
12. End-of-life treatment of sold products	–	–	3,663,651	–	–	–	–	–
13. Downstream leased assets	–	–	1,603	–	–	–	–	–
14. Franchises	–	–	23,742	–	–	–	–	–
15. Investments	–	–	24,982	–	–	–	–	–

Overarching definitions and assumptions:
- *Scope 3 GHG emissions are calculated in alignment with the Corporate Value Chain (Scope 3) Accounting and Reporting Standards 2011 and the supplement standards.*

Definitions, assumptions, and calculation methods
Total calculated gross indirect (Scope 3) GHG emissions
- *Total of categories (1) to (15).*

Calculated indirect Scope 3 GHG emissions – purchased goods and services
- *Purchased goods and services relate to the extraction, production and transportation of goods purchased by the company in the reporting year. Only the goods and services relevant for category 1 according to the GHG Protocol are considered, including all upstream emissions (cradle-to-gate).*
- *Emissions for goods are calculated on a weight basis and for services on a cost basis. The emission factors of Sphera Solutions GmbH or internally determined group sector-specific and business area-specific GHG factors are used to calculate the emissions.*
- *For purchased product groups for which not all weight data is available, the missing proportion is extrapolated using the average method. The expenditures for services are multiplied either by the specific emission factors from DEFRA or by an internally determined emission factor. Within this expenditure-based method, the data is extrapolated for a small share.*

Calculated indirect Scope 3 GHG emissions – capital goods
- *Capital goods that are purchased in the reporting year are considered.*
- *The expenditures for capital goods are multiplied either by the specific emission factors from DEFRA or by an internally determined emission factor. As part of this expenditure-based method, the data for a small share is extrapolated.*

Calculated indirect Scope 3 GHG emissions – energy and fuel-related activities (not included in Scopes 1 and 2)
- *Energy- and fuel-related activities are defined as extraction, production, transportation, and transportation losses of purchased fuels and energy that are not covered by Scope 1 or Scope 2.*
- *For energy consumption, the specific emission factors from DEFRA are used within the framework of an average data method.*
- *The country-specific power grid emission factors are calculated based on the DEFRA calculation method. For this category, well-to-tank emission factors are considered.*
- *An average transmission loss of 5 % as recommended by DEFRA for steam and district heat is applied.*
- *In the case of renewable electricity, it is assumed that the mix consists of 50 % photovoltaics and 50 % wind power.*

Calculated indirect Scope 3 GHG emissions – upstream transportation and distribution
- *Upstream transportation and distribution are defined as the transportation of goods from direct suppliers to the company as well as within the company and to the customer, if paid for by the company and using third-party vehicles and facilities, including emissions from transportation services.*
- *For this category, average data, costs and GHG data from service providers are applied using the distance-based method, with the missing share extrapolated.*
- *Apart from CO_2 data from service providers, the emissions for each mode of transport (road, rail, sea, and air) were determined through calculations, whereby a small proportion of the transport modes are estimated.*
- *The basis for calculation includes logistics expenses, weight distance and transport equipment multiplied by the specific emission factors from Sphera Solutions GmbH or DEFRA.*
- *The emissions of the ContiTech group sector are primarily calculated based on the GHG data from service providers.*

Calculated indirect Scope 3 GHG emissions – waste generated in operations
- *Waste generation is multiplied by specific emission factors from DEFRA using an average data method for different waste categories, only considering emissions associated with landfill sites and incinerators.*

Calculated indirect Scope 3 GHG emissions – business travel
- *Travel booking service providers report GHG emissions for business trips. Hotel overnight stays are included as optional data. The various travel options are also considered and calculated.*
- *Some of these external primary data refer to emission factors from DEFRA or vehicle manufacturers.*
- *Business travel that may not have been booked through these service providers is considered by an estimate based on an expert assumption.*

Calculated indirect Scope 3 GHG emissions – employee commuting
- *Daily commuting time and modes of transport are based on an external global survey.*
- *For this average-data method, the emissions are calculated on the basis of the estimated commuting distance, effective number of working days and the number of employees together with the DEFRA emission factors.*

Calculated indirect Scope 3 GHG emissions – upstream leased assets

- *Continental AG is using management control as a consolidation approach. Therefore, there are no Scope 3 emissions allocated to leased assets. These are only reported under Scopes 1 and 2.*

Calculated indirect Scope 3 GHG emissions – downstream transportation and distribution

- *Downstream transportation and distribution are defined as emissions from the transportation and distribution of products after the point of sale, including retail and storage.*
- *The logistics paid for by the customers are extrapolated from Continental's own outbound logistics emissions from "Upstream transportation and distribution", based on the share of selfpickers determined by total sales or product weight.*
- *The emission factors from the "Upstream transportation and distribution" category are applied.*

Calculated indirect Scope 3 GHG emissions – processing of products sold

- *Processing of sold products covers the processing of intermediate products sold in the reporting year to downstream companies.*
- *For the Automotive and ContiTech group sectors, the calculation only considers emissions that are related to the material handling and general assembly stages of Continental products. Taking the product weight sold and the average vehicle weight based on market data, a virtual vehicle quantity is modeled in this average-data method. This virtual vehicle quantity is multiplied by the Scope 1 and Scope 2 GHG emissions per vehicle manufactured by selected automotive manufacturers.*
- *The calculation model used in the Tires group sector considers the energy consumption per tire assembly, which was determined by measurements and calculations for passenger car and truck tires in various processing steps.*
- *The calculation relates exclusively to Continental's vehicle business. The industrial business within the ContiTech group sector and the trading business of the Tires and Automotive group sectors are not included, as these emissions are not considered relevant in terms of their magnitude.*

Calculated indirect Scope 3 GHG emissions – use of sold products

- *This category includes the indirect emissions from the ContiTech and Tires group sectors during the use phase, which are optional to be reported according to the GHG Protocol. For the Automotive group sector, some products, particularly electronic products, consume electricity during their use phase and could be classified as direct emissions from the use phase. For this category, tank-to-wheel emission factors are used.*
- *Indirect emissions in the retail business of the Automotive group sector and parts of the specialty tires, non-tire products and products in the retail business of Tires group sector as well as the industrial business of the ContiTech group sector, except for the conveyor belt business, are not included in the calculation.*
- *For the Automotive and ContiTech group sectors, the calculation method is based on the expected product service life as stated by selected automotive manufacturers and the sold product weight, applying average-data methods with emission factors from ICCT and DEFRA.*
- *To calculate ContiTech group sector conveyor belt use phase emissions, an average belt weight, related idle power load, belt runtime per year and lifetime are assessed based on internal data and expert assessments.*
- *The Tires group sector calculation model is based on tire-industry aligned "Product Category Rules" (PCR). The energy consumption of sold tires is calculated by considering rolling resistance and acceleration resistance.*
- *Furthermore, fuel-specific emission factors from DEFRA, which are based on the PCR powertrain mix in the respective markets, are used for the Tires group sector.*

Calculated indirect Scope 3 GHG emissions – end-of-life treatment of sold products

- *Waste disposal and treatment of sold products at the end of their life cycle are considered.*
- *The weight of the sold products is multiplied by the specific emission factors from Sphera Solutions GmbH in accordance with the disposal and recycling type. In the absence of weight information for individual product groups, emissions are calculated based on information on purchased goods.*
- *Internal expert assessments and industrial data are used in the classification of the disposal and recycling type.*

Calculated indirect Scope 3 GHG emissions – downstream leased assets

- *Downstream leased assets are defined as the operation of assets owned by Continental that are leased to other companies during the reporting year, excluding those that are included in the Scope 1 and Scope 2 GHG emissions reported by the lessor.*
- *This category is calculated using an average-data method.*
- *The size of the leased assets is multiplied by the country- and asset-specific emission factors from PCAF (Partnership for Carbon Accounting Financials).*
- *The leased equipment (e.g. machinery) are multiplied by a specific emission factor from DEFRA.*

Calculated indirect Scope 3 GHG emissions – franchises

- *Using an average-data method, the number of franchise locations is multiplied by the internally determined energy consumption and the specific emission factors from DEFRA.*

Calculated indirect Scope 3 GHG emissions – investments

- *For this category, emissions are calculated using an average-data method.*
- *The sales of at-equity-accounted investees in financial reporting are multiplied by the portion of Continental's financial contribution with own GHG emissions (calculated based on Continental's Scope 1 and Scope 2 emissions) per euro of sales.*
- *In cases where sales figures are not available, GHG emissions are extrapolated based on the number of reporting companies.*

Total GHG emissions, in t CO_2e	Retrospective				Milestones and target years			
	Base year	2023	**2024**	Δ PY in %	2025	2030	2035	Reduction rate (Annual % target / Base year)
Total location-based GHG emissions	–	–	101,514,749	–	–	–	–	–
Total market-based GHG emissions	–	–	100,251,479	–	–	–	–	–

Definitions, assumptions, and calculation methods:
- *The total location-based GHG emissions include the GHG emissions from Scope 1, location-based Scope 2, and Scope 3.*
- *The total market-based GHG emissions are composed of Scope 1, market-based Scope 2 and Scope 3 GHG emissions.*
- *The figures are calculated in accordance with the assumptions and methods lined out in the corresponding tables for Scope 1 and Scope 2 as well as Scope 3 GHG emissions.*

Scope 3 emissions using primary data	**2024**
Share of Scope 3 GHG emissions calculated using primary data, in %	0.01

Definitions, assumptions, and calculation methods:
- *Only emissions for which primary data were available in the form of an externally verified product carbon footprint are considered.*
- *Scope 3 GHG emissions calculated based on primary data are considered. These are set in relation to the total Scope 3 GHG emissions.*

Biogenic CO_2 emissions	**2024**
Biogenic direct emissions not included in Scope 1, in million tCO_2e	0.037
Biogenic location-based indirect emissions not included in Scope 2, in million tCO_2e	0.042
Biogenic market-based indirect emissions not included in Scope 2, in million tCO_2e	0.000
Biogenic indirect emissions not included in Scope 3, in million tCO_2e	0.859

Definitions, assumptions, and calculation methods:

Biogenic Scope 1 emissions
- *Emissions from the combustion or biodegradation of biomass, including solid biomass, biomethane, liquid biofuels and green hydrogen, are considered.*
- *The base data for the calculation of biogenic Scope 1 emissions are considered in accordance with the assumptions and methods lined out in the corresponding table for Scope 1 and Scope 2 GHG emissions. In contrast, this metric only considers CO_2 emissions that are not included in Scope 1 GHG emissions.*
- *Emission factors from DEFRA are used for the calculation.*

Biogenic emissions in relation to location-based and market-based Scope 2 emissions
- *Continental only considers emissions from electricity, steam, and district heat under market-based Scope 2 emissions to be biogenic if sufficient evidence is available.*
- *Biogenic location-based Scope 2 emissions are modeled and extrapolated based on electricity purchases and external data sources (German Association of the Automotive Industry, VDA) for the specific share of biomass and biogas in the electricity mix.*
- *The figures are calculated in accordance with the assumptions and methodologies lined out in the corresponding table for Scope 1 and Scope 2 GHG emissions.*

Biogenic Scope 3 emissions
- *Biogenic emissions resulting from the combustion or biodegradation of biomass are considered, including organic non-fossil material of biological origin, biofuels, biogenic gases and biogenic waste. Therefore, only emissions of the category Scope 3 – End-of-life treatment of sold products – are considered, through incineration of biogenic substances in the products.*
- *All other Scope 3 categories according to the GHG Protocol have not been included in the calculation for biogenic Scope 3 emissions.*
- *Scope 3 emissions are calculated based on the assumptions and methods lined out in the corresponding table for Scope 3 GHG emissions.*
- *The calculation is based on the purchased quantity of natural rubber according to Scope 3 category 1 and is equivalent to the quantities from Scope 3 category 12. The proportion of biogenic CO_2 emissions is calculated based on calculated factors for material disposal through incineration and material proportions of biological origin in the products.*

GHG emissions intensity

Location-based GHG emissions intensity	**2024**
Intensity of location-based GHG emissions, in million tCO_2e / € millions	0.003

Definitions, assumptions, and calculation methods:
- *The total location-based GHG emissions are divided by the sales revenue presented in the consolidated financial statements.*
- *The calculation of the total GHG emissions is performed in accordance with the assumptions and methodologies set out in the corresponding tables for Scope 1 and Scope 2 as well as Scope 3 GHG emissions.*

Market-based GHG emissions intensity	**2024**
Intensity of market-based GHG emissions, in million tCO_2e / € millions	0.003

Definitions, assumptions, and calculation methods:
- *The total market-based GHG emissions are divided by the sales revenue presented in the consolidated financial statements.*
- *The calculation of the total GHG emissions is performed in accordance with the assumptions and methodologies lined out in the corresponding tables for Scope 1 and Scope 2 as well as Scope 3 GHG emissions.*

Information on sales (denominator in the calculation of the intensity of GHG emissions) can be found in the consolidated financial statements in the Consolidated statement of income section and in Note 1 of the notes to the consolidated financial statements.

Energy consumption and mix

Energy consumption and mix

Energy consumption and mix	**2024**
(1) Fuel consumption from coal and coal products, in MWh	82,476
(2) Fuel consumption from crude oil and petroleum products, in MWh	129,421
(3) Fuel consumption from natural gas, in MWh	2,840,436
(4) Fuel consumption from other fossil sources, in MWh	61,634
(5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources, in MWh	754,333
(6) Total energy consumption from fossil sources, in MWh	**3,868,301**
(7) Total energy consumption from nuclear sources, in MWh	**0**
(8) Fuel consumption from renewable sources, in MWh	110,068
(9) Energy consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources, in MWh	4,219,044
(10) Consumption of self-generated non-fuel renewable energy, in MWh	26,652
(11) Total energy consumption from renewable sources, in MWh	**4,355,765**
(12) Total energy consumption, in MWh	**8,224,066**

Definitions, assumptions, and calculation methods:

Overarching information for positions (1) – (12)
- *If required, conversion factors are used to convert fuel consumption into MWh.*
- *The data is collected by the individual company locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*
- *In addition, the December consumption is calculated for individual locations if the necessary data or receipts were not yet available at the time of reporting.*

(1) Fuel consumption from coal and coal products
- *Includes the consumption of coal and lignite (brown coal).*

(2) Fuel consumption from crude oil and petroleum products
- *Includes the consumption of diesel, gasoil, gasoline and heating oil.*
- *The energy consumption of company vehicles worldwide is modeled and uses the energy consumption of German company vehicles as a benchmark.*

(3) Fuel consumption from natural gas
- *Includes the consumption of natural gas.*

(4) Consumption of fuels from other fossil sources
- *Includes the consumption of liquified petroleum gas (LPG), propane and liquid butane.*
- *The energy consumption of company vehicles worldwide is modeled and uses the energy consumption of German company vehicles as a benchmark.*

(5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources
- *Includes the consumption of purchased district heat and steam from fossil sources.*
- *Energy sources are allocated using the market-based method.*
- *The energy consumption of company vehicles worldwide is modeled and uses the energy consumption of German company vehicles as a benchmark.*

(6) Total energy consumption from fossil sources
- *Total of positions (1) to (5).*

(7) Total energy consumption from nuclear sources
- *Includes energy consumption from nuclear sources.*
- *The energy source is allocated using the market-based method.*

(8) Fuel consumption from renewable sources
- *Includes the consumption of biomass, biofuels, biomethane and green hydrogen.*

(9) Energy consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources
- *Contains the purchased electricity mix, electricity from renewable sources with energy attribute certificates (off-site PPA, on-site PPA, green tariff), purchased steam and district heat from renewable sources.*
- *The calculation is made using the market-based method.*

(10) Consumption of self-generated non-fuel renewable energy
- *Includes the consumption of self-generated electricity from renewable sources.*

(11) Total energy consumption from renewable sources
- *Total of positions (8) to (10).*

(12) Total energy consumption
- *Calculated as the total of positions (6), (7) and (11).*

Coverage of energy management systems	2024
Energy management system certification (ISO 50001) Employee coverage (as at December 31), in %	42

Definitions, assumptions, and calculation methods:
- *Includes employees of the Continental Group with a valid and active employment contract as well as non-employees as at December 31, 2024. Interns and apprentices are not considered.*
- *Valid certifications and concluded recertifications were considered, as well as ongoing recertifications, if the achievement of recertification is considered highly probable.*
- *The data is collected by the individual locations. A small number of employees who could not be assigned are excluded from the coverage rate. The metric is calculated from the ratio of own employees working at a certified location to the total number of Continental's own employees.*
- *The metric is entity-specific.*

Non-renewable energy production	2024
Non-renewable energy production, in MWh	2,760,454

Definitions, assumptions, and calculation methods:
- *Includes the generation of steam from non-renewable sources in boiler houses as well as self-generated electricity from fossil sources.*
- *The amount of steam produced in boiler houses is calculated based on the total consumption of natural gas at the respective location minus the direct combustion of natural gas based on annual average values.*
- *If required, conversion factors are used to convert energy production into MWh.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Renewable energy production	2024
Renewable energy production, in MWh	26,652

Definitions, assumptions, and calculation methods:
- *Includes the production of electricity from renewable sources such as photovoltaics.*
- *If required, conversion factors are used to convert energy production into MWh.*
- *The data is collected by the individual locations.*

Disclosures relating to activities in high climate impact sectors

Energy intensity from activities in high climate impact sectors	2024
Energy intensity from activities in high climate impact sectors, in MWh / € millions	214

Definitions, assumptions, and calculation methods:
- *The metric is defined as the total energy consumption from activities in high climate impact sectors divided by the sales from activities in high climate impact sectors.*
- *Data on energy consumption is collected in accordance with the information in the table on energy consumption and energy mix.*

Total energy consumption from activities in high climate impact sectors	2024
Total energy consumption from activities in high climate impact sectors, in MWh	8,144,095

Definitions, assumptions, and calculation methods:
- *Activities in the NACE code sectors A to H and L that generate sales are considered activities in high climate impact sectors.*
- *Includes total energy consumption from fossil and renewable sources attributable to activities in high climate impact sectors.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Net revenue from activities in high climate impact sectors	2024
Net revenue from activities in high climate impact sectors, in € millions	38,053

Definitions, assumptions, and calculation methods:
- *The sales presented in the consolidated financial statements are shown minus the sales from non-climate-intensive activities.*

Activities in the NACE code sectors A to H and L that result in sales are considered to be activities in high climate impact sectors, and are used for the calculation.

Information on sales (denominator in the calculation of the intensity of GHG emissions) can be found in the consolidated financial statements in the Consolidated statement of income section and in Note 6 of the notes to the consolidated financial statements.

GHG removals and GHG mitigation projects financed through CO_2 credits

The disclosures on the removal, reduction, and storage of GHG emissions in accordance with ESRS by means of CO_2 credits do not apply to Continental in this fiscal year. As part of our immediate climate change mitigation program Net|Zero|Now, we offer customers and Continental's group sectors an additional component to support their respective climate strategies. The program is both offered externally and used internally, e.g. for events. Continental is working with partners on certified ecosystem restoration, especially on reforestation projects, to remove CO_2 from the atmosphere and thereby ease the global CO_2 budget through CO_2 removals. The defined CO_2 removals are calculated individually within the group sectors. The amount of negative emissions used under Net|Zero|Now is determined and documented accordingly within the group sectors. Continental has purchased a contingent of certified projects, which is gradually being utilized. A systematic process is then used at Group level to ensure that the corresponding number of certificates issued, canceled, and thus retired are available for the quantity used by the group sectors in the respective fiscal year and that these are not used more than once in the internal allocation across fiscal years and group sectors. Purchased CO_2 credits originate from projects certified against internationally approved standards (Gold Standard, VCS, Plan Vivo). Moreover, Continental ensures that it finances projects in different geographic areas. In addition, through questionnaires related to a specific project, we ensure that the CO_2 credits meet internal quality criteria.

The credits used within the framework of Net|Zero|Now program were procured in previous years and canceled in external registers at the time of purchase. No further purchases, including cancelation, were made in external registers in the fiscal 2024, and no specific purchases or cancelations were planned as at December 31, 2024.

GHG removals as part of the Net|Zero|Now program	2024
Total used GHG removals from climate change mitigation projects within the Net|Zero|Now program, in million tCO_2e	0.006

Definitions, assumptions, and calculation methods:
- *Continental's Net|Zero|Now program allows its business partners to increase their contribution in the course of the transition to a climate-friendly economy. When purchasing Continental's goods, the customers can opt to participate in the program. If they do so, purchased CO_2 credits from removal projects are deemed as consumed and become unavailable for other purposes.*
- *CO_2 credits from projects that have been consumed as part of the Net|Zero|Now program in the reporting year are included.*
- *One CO2 credit corresponds to 1 metric ton of CO_2e.*
- *The metric is entity-specific.*

Emission-free mobility and industries

Allocated business with zero-tailpipe-emission vehicles	2024
Allocated business with zero-tailpipe-emission vehicles, in € millions	2,066

Definitions, assumptions, and calculation methods:
- *The allocated business with zero-tailpipe-emission vehicles comprises all business with products for vehicles transporting goods and people.*
- *The business can be allocated via the vehicle manufacturer, the vehicle platform or the product specification.*
- *The calculation was carried out using internal planning data for sales, external data for production quantities and engine type from IHS and S&P as well as experts' assessments when necessary.*
- *The metric is entity-specific.*

Pollution (ESRS E2)

Material Impacts, Risks and Opportunities Related to Pollution

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative impacts, risks and opportunities have been identified in relation to pollution. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As opportunities are strengthened by Continental's management approaches, the descriptions are presented from a perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Environmental protection in own operations

- In 2024, individual local environmental incidents related to minor spills such as leakages were recorded in own operations. Beyond these spills, potential environmental incidents could also lead to significant local pollution if not contained adequately and if occurring at several sites simultaneously. (see ESRS 2, IRO table, impact 17)

Environmental protection in the supply chain

- Continental has recorded individual negative impacts related to pollution by direct suppliers in 2024. Beyond the confirmed incidents, Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers along the supply chain comprise industries which potentially have significant negative environmental impacts related to the generation of pollutants in air, water and soil (e.g. from manufacturing processes of basic materials). (see ESRS 2, IRO table, impact 18).
- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers operate in industries and certain markets which might be subject to major transformation and new regulatory requirements related to the pollution of air, water and soil (especially considering bans or restrictions of certain materials). This can in particular lead to significantly higher costs for materials, components and/or services in the medium term, if not managed preventively. (see ESRS 2, IRO table, risk 23)

Product-related aspects regarding environmental protection

- In the use phase of Continental's products in vehicles and industrial applications, substantive direct and indirect air, water and soil emissions are generated, especially exhaust emissions of vehicles, tire and road wear particles as well as brake dust emissions. (see ESRS 2, IRO table, impact 19)
- Continental operates in certain markets and industries where substantive emissions to air, water and soil occur during the use phase of Continental's products. In a scenario with steadily more stringent regulations, the risk of violating these regulations could increase significantly. Therefore, if not sufficiently anticipated and preventively managed, Continental could be exposed to sanctions regimes with significant fines and penalties or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 22)
- Continental's product portfolio serves markets which are transforming considerably, also because of regulatory requirements and market trends related to air, water and soil emissions (especially considering restrictions of substances as well as non-tailpipe-related emissions such as tire and road wear particles and brake dust). Given the broadness of Continental's portfolio, some product segments and the business with specific customer groups could face transformational challenges and the speed of change could exceed the potential speed of adaptation. This could, if not managed adequately, lead to a significant loss in sales in the respective businesses, especially in the medium term. (see ESRS 2, IRO table, risk 24)
- Continental's product portfolio serves markets which are transforming considerably because regulatory requirements and market trends related to air, water and soil emissions (e.g. stricter emission levels of vehicles). This can lead to changing demands of requirements for certain products and innovations of Continental. If Continental is able to utilize these market drivers effectively, specific businesses (especially tires and brakes) can profit directly or indirectly from significant growth opportunities or even new business fields/models in the medium term. (see ESRS 2, IRO table, opportunity 27)

Substances of concern and very high concern

- Continental is engaged in specific types of operations which include the handling and use of substances of concern and very high concern. If not managed adequately and cautiously, significant negative impacts on people and the environment are to be expected. (see ESRS 2, IRO table, impact 20)

- Continental buys numerous products and services from a global supplier base. Continental's direct and indirect suppliers along the supply chain comprise industries and types of operations where substances of concern and of very high concern are handled and used. If not managed adequately and cautiously, significant negative impacts on people and the environment related to the handling and use of substances of concern and very high concern are to be expected along the supply chain. (see ESRS 2, IRO table, impact 21)

- Continental's product portfolio serves markets which are transforming considerably due to market trends and regulatory requirements related to substances of concern (especially considering the restriction of substances). Given the broadness of substances used by Continental, some product segments could face transformational challenges and the speed of change could exceed the potential speed of adaptation. This can, if not managed adequately, lead to a critical loss in sales in the respective businesses, especially in the medium term. (see ESRS 2, IRO table, risk 25)

- Continental operates in industries where the responsible handling of substances of concern is relevant along the value chain. Therefore, if prevention and mitigation fail or severe incidents of non-compliance occur (e.g. exceeding thresholds or missing declarations), Continental could be exposed to sanctions regimes with significant fines and penalties or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 26)

Management Approaches to Pollution Prevention

The management approaches relevant for managing the IROs regarding pollution are related to environmental protection in own operations, environmental protection in the supply chain, product-related aspects regarding environmental protection, and substances of concern and very high concern.

Environmental protection in own operations
Continental has introduced comprehensive environmental protection measures and environmental management processes in own operations. These also include measures and processes to prevent or, if necessary, mitigate the identified potential negative impacts from possible releases into air, water and soil. As publicly stated in Continental's policy on environment, safety and health (Environment, Safety and Health Policy, "ESH Policy"), we conserve resources and prevent pollution caused by emission into the air, water and soil.

Continental's management approach for environmental protection measures covers own operations worldwide and is especially focused on the production sites.

Responsibility for the implementation of environmental protection measures and pollution prevention lies with the management of Continental's respective legal entities. The internal framework for environmental protection is defined by the environmental departments of Continental and supervised by the Executive Board and the group sector boards.

The processes and monitoring regarding the prevention and containment of environmental incidents are integrated into the overall environmental management system. The preventive measures are implemented on a site-specific basis and include, among others, emergency plans, site inspections by the local ESH managers as well as regular maintenance plans. Other measures are implemented where they are needed and include, for example, hazardous substance storage, excavation, separators, wastewater treatment and retention basins.

The prevention and containment of environmental incidents or releases includes site-specific emergency plans that control and limit the impact on people and the environment in case of an actual release.

Continental's environmental management framework, including the prevention and containment of environmental incidents, consists of the public ESH Policy and the related environmental "responsible value chain commitments (RVC commitments)" as well as several internal rules at different levels of the organization.

Continental's environmental management including the prevention and containment of environmental incidents, such as leakages, is based on the international environmental management standard ISO 14001. Coverage with certified environmental management systems can be found in the corresponding metric in this section.

Where relevant, local environmental management also includes a consultation with local stakeholders like authorities, employees or communities.

Continental's ESH Policy as well as the associated environment-related RVC commitments are communicated externally on our website. In addition, training materials, other guidance documents and emergency response plans are available for company-internal communication purposes.

Environmental protection in the supply chain
For environmental protection in the supply chain, Continental has defined a management approach to prevent and reduce potential negative environmental impacts related to pollutant emissions to air, water and soil in the supply chain. As stated in our Business Partner Code of Conduct and RVC commitments, Continental expects its suppliers to maintain adequate environmental protection management procedures, including, but not limited to air quality, responsible chemical management, soil protection and the protection of water bodies.

Continental's management approach applies to all of the purchasing activities of Continental and its subsidiaries worldwide. The focus of the management approach is on the direct suppliers (including service providers), who in turn should pass on the requirements to their suppliers. Additional specifics of the management approach apply to the natural rubber supply chain including the deeper supply chain in relation to natural rubber sourcing. See also the management approach to responsible sourcing and upstream value chains in the Biodiversity and ecosystems (ESRS E4) section.

The management approach is primarily implemented by Continental's purchasing departments, which are supported by the environmental and sustainability functions. This is overseen by the Responsible Value Chain Due Diligence System (RVCDDS), including oversight by the Executive Board (see also the management approach for workers in the value chain in the Workers in the value chain (ESRS S2) section).

The RVCDDS comprises a variety of processes covering strategy development and implementation, regulations management, management of potential impacts and incident management (including complaints) as well as training. A multi-stage process comprising three lines has been set up to control and oversee system efficiency: In terms of the supply chain, the first line comprises the implementation of operational tasks at the level of the individual purchasing functions. The second line, represented by non-operational governance departments and roles, oversees the system, roles and responsibilities as well as their effectiveness. The third line is represented by the internal audit function which performs an independent evaluation of the adequacy and effectiveness of the RVCDDS.

The operational tasks include specific preventive and remedial measures regarding the supply chain, e.g. alignment of procurement strategies and practices, definition of contractual agreements and implementation of control mechanisms as well as training of purchasers and suppliers. Selected suppliers are assessed on the basis of various criteria using self-assessment questionnaires obtained via the generally accepted sustainability platforms for our industries, such as EcoVadis and NQC. In addition, selective on-site audits or other audit activities are also carried out, for example in relation to the existence of environmental management systems.

As part of an annual review process, the Executive Board of Continental AG is updated on the current status by Continental's human rights officer and assesses the system's effectiveness, adequacy and potential for improvement. The RVCDDS is additionally integrated into Continental's overarching internal control system, the risk management system and compliance management system.

The expectations of suppliers with regard to appropriate environmental protection also include the prevention of incidents and emergency situations.

The outlined processes are defined by an environment-related RVC commitment. Further relevant rules of this internal framework include dedicated rules for purchasing and the associated work instructions, which guide the consistent application of the key processes in all of the company's businesses and in supplier relations. Direct suppliers are guided by the binding Business Partner Code of Conduct (BPCoC), which also refers to the RVC commitments. For suppliers of natural rubber, Continental's purchasing policy for sustainable natural rubber also applies.

Continental's management approach to environmental protection is guided by Germany's Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) as well as other due diligence standards such as the UN Guiding Principles and the OECD Guidelines.

The interests of stakeholders, such as customers and associations, are taken into account within the management processes.

Continental communicates its management approach through its Public Policy Statement and externally published RVC commitments. Supplier training initiatives are also carried out to further promote awareness and shared responsibility across the entire value chain. In addition, direct suppliers are requested to sign the Business Partner Code of Conduct. Communication is therefore aimed at both stakeholders and suppliers.

Product-related aspects regarding environmental protection
Continental has anchored in its sustainability ambition to strive for emission-free mobility and industry together with its partners along the value chain by 2050 at the latest. In this context, "emission-free" means the complete mitigation of harmful emissions (such as greenhouse gases or nitrogen oxides (NOx)). It does not include harmless emissions like water vapor emissions, non-toxic, biodegradable particle emissions or minimal noise emissions.

Accordingly, Continental has implemented a specific management approach to support the transition of our industries, reduce negative environmental impacts in the product use phase, ensure regulatory compliance and at the same time support opportunities for growth in specific business activities.

With regard to tire and road wear particles and brake dust in particular, Continental is working on researching open issues relating to these non-tailpipe-related emissions and their generation, composition, transport and fate in the environment. Continental is helping to expand the base of scientifically sound knowledge about the impacts on human health and the environment, as the impacts have still not been sufficiently researched.

It should therefore be noted that, according to current knowledge, tire and road wear will always occur in order to enable controllable and safe acceleration and braking as well as stable cornering. Efforts are therefore being made to reduce wear particles from tires on the one hand, and to make them as environmentally friendly as possible on the other.

The management approach focuses on products that contribute to the reduction of relevant emissions, in particular tailpipe emissions, tire and road wear particles and brake dust emissions.

Responsibility for expanding the business with zero-tailpipe-emission vehicles (ZTEV) and for the implementation of measures to reduce emissions, compliance with legal requirements and economic aspects lies with the respective business. They are supported by various central departments, including product development, sustainability, technical compliance and quality. Oversight is ultimately provided by the group sector boards as well as the Executive Board of the Continental Group.

The general processes of the management approach include, for example, market research, activities in the area of research and development, active portfolio management and close dialogue with customers – as also described in the Climate change (ESRS E1) section in the subsection on Management approaches to climate change mitigation, climate change adaptation, energy efficiency and renewable energy under Scope 3 emissions, portfolio resilience and transition. Increasing business with ZTEV components and systems contributes to reducing tailpipe emissions in the use phase.

The management processes regarding zero tailpipe emissions such as tire and road wear particles as well as brake dust comprise, in particular, R&D activities and cooperations in industry associations and with universities, science and customers in order to continue expanding the comprehensive understanding of the generation of tire and road wear particles as well as brake dust and their behavior in the environment. This includes also working on international standards for the measurement of particulate matter, e.g. within the frame of the UNECE. One example of a cooperation in the area of tire and road wear particles is the joint research project between Continental, the University of Southern Denmark and the Ecole Normale Supérieure de Lyon to research the degradation of rubber polymers in the environment.

Furthermore, in R&D and product development processes (e.g. the product life cycle management), Continental investigates and develops further technical developments and solutions designed to continuously reduce these emissions more and more, and to ensure compliance with the increasingly stringent regulations. The product development processes also include working on the economic feasibility, market readiness and scaling of such solutions as well as the cooperation with customers, suppliers and other parties (e.g. universities). One example of basic research in the area of brake dust was the LOWBRASYS project, which was completed in 2019. The project assessed various technologies that could significantly reduce brake dust.

With regard to tire and road wear particles, Continental's development engineers and material experts are working, in particular, on modifying both the tire design and the composition of tire compounds in order to reduce the impacts on the environment without compromising on the safety-related properties of the tires. The processes are similar for brake dust particles, with material and product development also involving cooperation with the suppliers of the relevant components such as brake pads and brake discs.

The compliance of products with applicable standards, customer requirements and regulations is also subject to Continental's technical compliance processes and quality management systems.

Advances in these processes can also help Continental to generate competitive advantages in the medium term in a surrounding of changing product requirements, and to exploit growth and margin opportunities, particularly for components and systems for zero-tailpipe-emission vehicles and for tires and braking systems.

As a result of the IROs, specific processes for incidents and emergency situations in the downstream value chain are not relevant.

The management approaches are guided by Continental's technical compliance framework and the sustainability ambition. Further internal rules on specific business processes apply.

Current and upcoming international technical standards, obligations and regulations regarding pollution (e.g. Euro 7) are relevant and binding for Continental's products and measurements (such as the UN Global Technical Regulation No. 24 for brake emissions).

To ensure compliant products and to reduce pollution, Continental maintains active dialogue with stakeholders such as authorities, customers, science and industry associations, as well as industry associations and initiatives (such as the European Association of Automotive Suppliers (CLEPA), the European Tyre & Rubber Manufacturers Association (ETRMA), and the U.S. Tire Manufacturers Association (USTMA)). Of particular note is the cooperation between tire manufacturers and the World Business Council for Sustainable Development (WBCSD) on the subject of tire abrasion as part of the "Tire Industry Project" (TIP).

One important element of the communication on topics regarding non-tailpipe-related emissions in the use phase is the joint communication via industry projects (e.g. TIP) or associations.

Substances of concern and very high concern

Continental has implemented a management approach for substances of concern and very high concern to ensure the safe usage of these chemicals, protect employees and environment and be compliant with regulations, and to gradually substitute them with more sustainable chemicals.

As outlined in Continental's sustainability ambition for "clean and safe factories" and in our ESH policy, preventive measures are taken, hazards are eliminated and risks are reduced.

Our framework to substitute and minimize the use of substances of concern in own operations specifies that hazardous chemicals should be evaluated if a less hazardous alternative or substitute is available.

The management approach regarding substances of concern in the supply chain is largely covered by the management approach for environmental protection in the supply chain. Our Business Partner Code of Conduct also includes the expectation that our business partners will manage all chemicals responsibly.

Continental's hazardous substances management covers own operations worldwide and is especially focused on production sites. It also partially encompasses aspects in the upstream and downstream value chain. The management approach covers both substances of concern and substances of very high concern.

Responsibility for the implementation of the management approach for substances of concern lies with the management of Continental's respective legal entities. The governance framework for the management of hazardous substances is defined in particular by the departments for environment, safety and health as well as product development, overseen by the Executive Board of Continental AG and the group sector boards.

The processes for monitoring the management of hazardous substances are integrated into the overall environmental and occupational health & safety management system as described in the management approaches to Environmental protection in own operations in this section as well as Occupational safety and health in the Own workforce (ESRS S1) section. Preventive measures for substances of concern are implemented site-specifically and include the identification of hazardous substances, maintenance of hazardous substance inventories and ensuring the safe usage and storage of chemicals.

Continental's processes for substances of concern also include some upstream and downstream value chain aspects, e.g. with regard to integration into general procurement processes, approval of use and restrictions of use of substances which are procured, product and process development as well as placing compliant and safe products on the markets (see also the management approach to Technical and product compliance in the Consumers and end-users (ESRS S4) section). The implementation of these rules is regularly reviewed, for example within internal ESH-audits.

The framework for Continental's management regarding substances of concern consists of a set of environmental, occupational health & safety rules at different levels of the organization as well as the sustainability ambition, ESH policy and the corresponding RVC commitments.

The environmental, occupational health & safety management systems are based on the international standards ISO 14001 and ISO 45001, which are also standards for the management of hazardous substances. Furthermore, Continental follows the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants (POPs) as well as the Global Automotive Declarable Substance List (GADSL) and the International Material Data System (IMDS) for our automotive products.

Continental involves relevant stakeholders in its environmental, occupational health & safety management, which also includes consultations with local stakeholders such as authorities, employees and communities.

Continental's ESH policy as well as the sustainability ambitions are communicated externally on our website. In addition, training materials and other guidance documents (such as emergency response plans) are available for company-internal communications purposes. Continental communicates and trains the implementation of the rules via environmental, safety and health (EHS) managers within the group sectors.

Targets Related to Pollution

Continental has defined a systematic process for setting targets. With regard to pollution, it was decided to pursue the management approaches described and not to set a time-bound sustainability target.

The monitoring of effectiveness and the tracking of progress is described in the related management approaches and reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to pollution beyond the described management approaches.

Metrics Relating to Pollution

Substances of concern and substances of very high concern

Substances of concern

Amount of substances of concern used, by main hazard class	Health hazard	Environmental hazard
Amount of substances of concern that are generated, used or procured during production, in million t	0.083	0.067

Definitions, assumptions, and calculation methods:
- *Substances of concern are defined according to the applicable regulations.*
- *Hazard classes are assigned in accordance with the Globally Harmonized System (GHS) for the classification and labeling of chemicals. To avoid double counting, substances of concern that belong to both hazard classes are listed under health hazards.*
- *The data are collected by the individual locations. The amount for the month of December is extrapolated.*

Amount of substances of concern leaving the facilities, by main hazard class	Health hazard	Environmental hazard
Amount of substances of concern that leave the facilities, in million t	0.016	0.031

Definitions, assumptions, and calculation methods:
- *Substances of concern are defined according to the applicable regulations.*
- *Allocation to hazard classes is done in accordance with the GHS.*
- *The Automotive group sector's production processes focus primarily on the assembly of components. It can be assumed that no significant reactions of substances of concern occur in the production process. The quantity of incoming substances is therefore equal to the quantity of outgoing substances.*
- *For batteries and compressors in the Tires group sector, the quantities of incoming substances correspond to the quantities of outgoing substances, as they are not subject to any further production steps. For tires and bellows, the quantities are calculated on the basis of the documented product compositions and IMDS data. IMDS is a globally standardized exchange and management system for material data in the automotive industry.*
- *The same assumptions and calculation methods are used for rubber-based products in the ContiTech group sector as in the Tires group sector. Based on the variety of relevant chemical processes for the products in the Surface Solutions business area, an expert estimate of the average chemical reaction of substances of concern is applied and the quantity is calculated. Due to the use of these calculation methods, the figures for the ContiTech group sector are subject to uncertainties.*
- *The data are collected by the individual locations. The amount for the month of December is extrapolated.*

Amount of substances of concern leaving the facilities as part of products, by main hazard class	Health hazard	Environmental hazard
Quantity of substances of concern that leave the company as part of products, in million t	0.016	0.031

Definitions, assumptions, and calculation methods:
- *This metric is compiled according to the assumptions described under the metric Amount of substances of concern leaving the facilities, by main hazard class.*
- *Due to the production processes used, there are only substances of concern that leave the facilities as part of products. Consequently, this metric shows 100 % of the total amount of substances of concern that leave the facilities.*

Substances of very high concern

Amount of substances of very high concern used, by main hazard class	Health hazard	Environmental hazard
Amount of substances of very high concern that are generated, used or procured during production, in million t	0.006	<0.001

Definitions, assumptions, and calculation methods:
- *Substances of very high concern are defined according to the applicable regulations.*
- *Allocation to hazard classes is done in accordance with the GHS. To avoid double counting, substances of concern that belong to both hazard classes are listed under health hazards.*
- *The data are collected by the individual locations. The amount for the month of December is extrapolated.*

Amount of substances of very high concern leaving the facilities, by main hazard class	Health hazard	Environmental hazard
Amount of substances of very high concern that leave the facilities, in million t	0.004	<0.001

Definitions, assumptions, and calculation methods:
- *Substances of very high concern are defined according to the applicable regulations.*
- *Allocation to hazard classes is done in accordance with the GHS.*
- *The Automotive group sector's production processes focus primarily on the assembly of components. It can be assumed that there are no significant reactions of substances of very high concern in the production process. The quantity of incoming substances is therefore equal to the quantity of outgoing substances.*
- *For batteries and compressors in the Tires group sector, the quantities of incoming substances correspond to the quantities of outgoing substances, as they are not subject to any further production steps. For tires and bellows, the quantities are calculated on the basis of the documented product compositions and IMDS data. IMDS is a globally standardized exchange and management system for material data in the automotive industry.*
- *The same assumptions and calculation methods are used for rubber-based products in the ContiTech group sector as in the Tires group sector. Based on the variety of relevant chemical processes for the products in the business area Surface Solutions, an estimate of the average chemical reaction of substances of concern is applied and the quantity is calculated. Due to the use of these calculation methods, the figures for the ContiTech group sector are subject to uncertainties.*
- *The data are collected by the individual locations. The amount for the month of December is extrapolated.*

Amount of substances of very high concern leaving the facilities as part of products, by main hazard class	Health hazard	Environmental hazard
Amount of substances of very high concern that leave the facilities as part of products, in million t	0.004	<0.001

Definitions, assumptions, and calculation methods:
- *This metric is compiled in accordance with the assumptions described under the metric amount of substances of very high concern leaving the facilities, by main hazard class.*
- *Due to the production processes used, there are only substances of very high concern that leave the facilities as part of products. Consequently, this metric shows 100 % of the total amount of substances of very high concern that leave the facilities.*

Environmental management

Coverage of environmental protection management systems	2024
Certifications for environmental protection management systems (ISO 14001)	
Employee coverage (as at December 31), in %	77

Definitions, assumptions, and calculation methods:
- *This includes employees of the Continental Group with a valid and active employment contract as well as non-employees as at December 31, 2024. Interns and apprentices are not considered.*
- *Valid certifications and concluded recertifications are considered, as well as ongoing recertifications, if the achievement of recertification was considered highly probable.*
- *The data is collected by the individual locations. A small number of employees who could not be assigned are considered not to be covered. The metric is calculated from the ratio of own employees working at a certified location to the total number of Continental's own employees.*
- *The metric is entity-specific.*

Biodiversity and Ecosystems (ESRS E4)

Material Impacts, Risks and Opportunities Related to Biodiversity and Ecosystems

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative impacts, risks and opportunities have been identified in relation to biodiversity and ecosystems. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As opportunities are strengthened by Continental's management approaches, the descriptions are presented taking a net perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Responsible purchasing and upstream value chain

- Continental is highly dependent on natural rubber to manufacture its rubber products. The production of natural rubber in general is considered a key commodity regarding potential deforestation. Beyond natural rubber, deforestation is also generally considered a relevant issue in other supply chains (e.g. metals). It can therefore be assumed that deforestation can occur deeper in Continental's supply chain if not managed preventively. (see ESRS 2, IRO table, impact 28)

- Continental as well as its direct and indirect suppliers operate among others in industries and certain markets that are actually or potentially subject to regulation related to deforestation and the resulting market transition. This can lead to significantly higher costs for materials, components or services, if not managed preventively. (see ESRS 2, IRO table, risk 31)

- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers operate in certain markets and industries that pose a risk of potential deforestation, particularly in relation to natural rubber. If corrective measures are not taken and due diligence measures are not performed or serious violations occur, Continental can be exposed to sanction regulations with substantial penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 30)

- Continental operates in certain markets and industries and procures numerous products and services from a global supplier base which must comply with increasing regulatory requirements with regard to biodiversity. Comprehensive preventive measures for securing access to supply chains that are prepared for fast increasing regulation on biodiversity due diligence might potentially create comparatively more resilient supply chains offering significant potential for differentiation from the competition in the medium term. (see ESRS 2, IRO table, opportunity 32)

Downstream value chain

- Continental provides components and systems for vehicles and industrial applications. In the use phase of vehicles and industrial applications as well as in the provision of the related infrastructures (e.g. roads and mines), significant direct and indirect negative impacts on biodiversity and ecosystems (particularly climate change, pollution and changes in land use) occur. These are primarily indirectly related to the individual companies in the vehicle and industrial value chains. (see ESRS 2, IRO table, impact 29)

Further Information on the IRO Assessment in Relation to Biodiversity and Ecosystems

Continental has no locations in own operations that have a significant impact on biodiversity and ecosystems.

Continental has no material negative impacts with regards to land degradation, desertification or soil sealing.

Continental has no locations in the vicinity of habitats of endangered species that have significant negative impacts on them.

Management Approaches to Biodiversity and Ecosystems

Continental has implemented management approaches that address the impacts, risks, dependencies and opportunities related to biodiversity and ecosystems.

The management approaches explicitly address the issue of deforestation in the upstream value chain.

The management approaches do not address sustainable practices in connection with the oceans or seas, as no associated material impacts, risks, dependencies or opportunities have been identified.

Responsible purchasing and upstream value chain
Continental's management approach for responsible purchasing and upstream value chain addresses two material drivers of biodiversity loss in the supply chain: pollution and deforestation.

For the pollution driver, Continental has implemented a management approach to avoid and reduce potential negative environmental impacts related to the generation of pollutants in air, water and soil in the supply chain. This management approach is described in the subsection Environmental protection in the supply chain in the Pollution (ESRS E2) section.

In addition, Continental has implemented a management approach to prevent the loss of biodiversity through deforestation, particularly through the cultivation of natural rubber, and to comply with the regulatory requirements for deforestation-free supply chains.

As part of responsible purchasing, Continental indirectly addresses the driver of biodiversity loss, in particular change in land use in connection with deforestation.

In addition, the management approach addresses Continental's dependence on natural rubber. In 2018, Continental introduced a "Sustainable Natural Rubber Sourcing Policy" to ensure responsible purchasing. The purchasing policy has been integrated into the business processes and decision-making processes, risk management and processes for risk mitigation. By implementing this management approach, Continental is able to increase the resilience of the supply chain while addressing the risks associated with the EU Deforestation Regulation (EUDR) and subsequent market changes.

The social consequences of the impacts on biodiversity associated with deforestation are given special consideration in the management approach.

Sustainable or agricultural practices are addressed in the Sustainable Natural Rubber Sourcing Policy.

Continental's management approach for responsible purchasing focuses on direct suppliers and indirectly on the deeper supply chain. Continental expects its direct suppliers to cascade the principles through their respective supply chains. Regarding sustainable natural rubber, the management approach explicitly covers the supply chain down to the rubber plantation.

Responsibility for the management approach to environmental protection is described in the corresponding subsection in the Pollution (ESRS E2) section under Environmental protection in the supply chain. Responsibility for the implementation of the management approach regarding the responsible purchasing of natural rubber lies with the respective purchasing departments, which are supported e.g. by the sustainability departments. Strategic monitoring is the responsibility of the group sector boards and, at an overarching level, the Executive Board of the Continental Group.

Continental requires its business partners in the natural rubber supply chain to comply with the Sustainable Natural Rubber Sourcing Policy in their own operations and further expects them to adhere to these principles throughout their entire value chain. The requirements from supplier obligations can lead to audits and follow-up measures, e.g. corrective action plans (CAPs) or other mitigation measures.

As part of its joint development partnership with the Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ), Continental is conducting training courses directly on site for small farmers in Indonesia to promote sustainable farming methods.

Another relevant purchasing process is a so-called "risk mapping" (e.g. based on the Rubberway risk analysis and verified self-assessment procedures), which assesses potential deforestation at various upstream nodes in Continental's natural rubber supply chain.

To purchase natural rubber from responsible sources, Continental uses the digital trading platform Agridence (formerly HeveaConnect). Standardized information on compliance with social and environmental standards, quality criteria and average sales prices can be viewed transparently on the platform. At the same time, the platform offers the opportunity to incorporate information from the analyses of the Rubberway platform.

In addition, collaboration with industry to improve the methods and compliance with due diligence is another important process. Continental is a member of the Global Platform for Sustainable Natural Rubber (GPSNR). This includes annual reporting on progress and supports an industry-wide learning approach, which contributes to the effectiveness of the management approach.

As a potential future lever to reduce some pressure on ecosystems, Continental has established research and development project called "Taraxagum", which investigates and develops the potential of natural rubber from dandelions as a substitute for natural rubber from rubber trees in tropical regions.

Traceability mechanisms have been implemented to improve, in particular, understanding and transparency in natural rubber purchasing. The Rubberway platform in particular, which was developed in an industry collaboration, is used to trace natural rubber back to the natural rubber plantation.

The management approach does not include regular monitoring of biodiversity status as well as its gains or losses. Nevertheless, Continental takes into account the aspect of responsible sourcing and consumption from ecosystems, especially with regard to fulfilling high conservation standards and sustainable natural rubber cultivation practices.

Beyond the formalization of the overall management approaches in internal rules, as described in the management approaches to Environmental protection in the supply chain, Continental's set of rules for biodiversity in responsible purchasing include the following public frameworks in particular:

- Sustainable Natural Rubber Sourcing Policy,
- Commitments to a responsible value chain (RVC commitments),
- Business Partner Code of Conduct.

The management approaches are guided especially by regulatory requirements for due diligence, such as the German Supply Chain Due Diligence Act (LksG) and EUDR. In addition, the management approach was harmonized with the GPSNR.

The GPSNR is a platform that brings together different stakeholders and takes into account the interests of its members (from smallholders to natural rubber processors, tire and automotive manufacturers, as well as civil society organizations). In addition, public consultations with non-members are held.

The policies are communicated externally through our website and internally via Continental's various channels. In addition, every new and existing direct supplier is requested to sign the Business Partner Code of Conduct.

Downstream value chain

Continental's management approach to the impacts on biodiversity and ecosystems in the downstream value chain addresses pollution and climate change as key drivers of biodiversity loss. The related management approaches are described in other sections in this sustainability report.

- Scope 3 emissions, portfolio resilience and transition with regard to climate change-related negative impacts on biodiversity and ecosystems. This management approach addresses climate change mitigation, energy efficiency and renewable energy deployment. The corresponding descriptions can be found in the subsection on Management approaches to climate change mitigation, adaptation to climate change, energy efficiency and renewable energy in the Climate change (ESRS E1) section.

- Product-related aspects relating to environmental protection with regard to the product-specific reduction of pollution in the product use phase. The corresponding descriptions can be found in the subsection Management approaches to pollution prevention in the Pollution (ESRS E2) section.

Due to the nature of Continental's products, the driver change in the land use (e.g. road infrastructure) in the downstream value chain is considered out of Continental's scope of influence. Therefore, no specific management approach was defined for the driver change in the land use.

Continental's management approaches relate to the following direct drivers of biodiversity loss listed in ESRS E4, AR4:

- Climate change,
- Pollution.

Continental has not identified any material risks related to biodiversity and ecosystems in the downstream value chain.

Biodiversity and ecosystems-related social consequences in the downstream value chain are not considered separately in the management approaches.

Along the downstream value chain, the traceability of products and thus the product-related impacts are extremely limited due to the nature of the products and are therefore not taken into account in the management approaches.

Targets Related to Biodiversity and Ecosystems

Continental has defined a systematic process for setting targets. With regard to biodiversity and ecosystems, it was decided to pursue the defined management approaches and not to set a time-bound sustainability target. The monitoring of effectiveness and the tracking of progress is described in the related management approaches and reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to biodiversity and ecosystems beyond the described management approaches.

Consideration of Biodiversity and Ecosystems in the Strategy and Business Model

Relation to strategy and business model
The impacts and risks identified in relation to biodiversity and ecosystems are by definition related to Continental's strategy and business model. Integration into Continental's strategy and business model is described in this section in the management approaches Responsible purchasing and upstream value chain as well as Downstream value chain.

In addition, the analysis of the resilience of Continental's strategy and business model in relation to biodiversity and ecosystems along the entire value chain is integrated into the general IRO assessment (see subsection Overview of material impacts, risks and opportunities in the General disclosures (ESRS 2) section).

Resilience of strategy and business model
The focus of the resilience analysis is on the combined transition and systemic risk related to deforestation regulation and has been incorporated into the general IRO assessment.

In the process of identifying and assessing risks and opportunities as part of the general IRO assessment, Continental took into consideration several factors and scenarios, as described in the IROs. The use of scenarios and assumptions by definition leads to uncertainties in the outcome of the analysis. To assess the resilience of Continental's business model to the identified risks and opportunities, a net assessment was carried out taking into account the existing management approaches related to biodiversity and ecosystems.

Based on the identified risks, the upstream value chain represents the focus of the resilience analysis.

The key assumptions of the identified risks were the assumed development of regulation and market developments, as described in the respective risks. This includes especially the expected implementation of the EUDR.

The stakeholders were involved in the assessment as described in the general methodology of the IRO assessment in the subsection Overview of material impacts, risks and opportunities presented in the General disclosures (ESRS 2) section.

Continental has assessed its material risks in relation to biodiversity and ecosystems and especially in relation to deforestation, with a focus on a medium-term time horizon.

Based on the IRO assessment and taking into account the management approaches, Continental considers its business activities to be resilient. The management approaches in relation to biodiversity and ecosystems describe Continental's current ability to reduce its material negative impacts, manage risks and seize opportunities. Continental also assumes that these skills will continue to develop over time.

Resource Use and Circular Economy (ESRS E5)

Material Impacts, Risks and Opportunities Related to Resource Use and Circular Economy

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative impacts, risks and opportunities have been identified in relation to resource use and circular economy. They have been grouped together into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As opportunities are strengthened by Continental's management approaches, their descriptions are presented taking a net perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Circularity

- Continental buys numerous products and services from a global supplier base. Continental and its direct suppliers and indirect suppliers along the supply chain also operate in industries and types of operations which involve significant sourcing of raw materials from primary or non-renewable sources (including fossil-based materials and materials from mining). (see ESRS 2, IRO table, impact 33)
- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers also operate in industries and specific markets which could be subject to regulation related to the use of non-renewable respectively renewable and non-recycled respectively recycled resources as well as the related market transition. This can lead to significantly higher costs for materials, components or services especially in the medium term, if not managed preventively. (see ESRS 2, IRO table, risk 36)
- Continental operates in industries which are not yet fully circular. The global product and material cycles for electronic components, tires, industrial components and other products are only partially closed. Considering the total amount of material in Continental's products, the related end-of-life-disposal of Continental's products therefore contributes substantively to waste generation. (see ESRS 2, IRO table, impact 34)
- Continental's product portfolio serves markets which are transforming considerably because of circularity-related regulatory requirements and market trends. Related regulatory requirements such as climate protection regulations can also be important for circularity. Given the broadness of Continental's portfolio, many product segments and the business with many customer groups could face transformational challenges and the speed of change could exceed the potential speed of adaptation. This could, if not managed adequately, lead to a critical loss in sales in the respective business activities, especially in the long term. (see ESRS 2, IRO table, risk 37)

Waste in own operations

- Continental currently generates non-recyclable waste (including hazardous waste) in own operations, which is sent to landfill or incineration plants. This leads to limited negative impacts on circular economy and is therefore considered relevant for corporate responsibility. (see ESRS 2, IRO table, impact 35)
- Continental's waste management could open up moderate financial opportunities by reducing operational costs, if waste management and waste handling are further improved in the medium term. This opportunity is considered relevant from an ESRS reporting perspective. (see ESRS 2, IRO table, opportunity 38)

Management Approaches for Resource Use and Circular Economy

In the area of resource use and circular economy, Continental has developed the management approaches Circularity and Waste in own operations in order to manage the described impacts, risks and opportunities.

Circularity
Our management approach for circularity aims to contribute to Continental's sustainability ambition and achieve 100 % closed resource and product loops by 2050 at the latest. Besides fulfilling this ambition, this management approach strives to mitigate related risks in the area of circularity considering the different requirements and speeds of transformation of our customers, industries and markets.

The management approach encompasses the upstream and downstream value chain as well as Continental's own operations and also includes switching from the use of primary to secondary resources and materials.

The procurement of renewable and recycled (secondary) materials is a key element here.

The management approach applies to the entire Group and the product portfolio and covers resource inflows and outflows.

The responsible business functions bear the responsibility for the management and adaptation of the respective product portfolio. Oversight of the effectiveness of portfolio management is exercised by the group sector boards and the Executive Board of Continental. Key processes are handled by the respective departments within the company, e.g. research and development (R&D), product design, supply chain management and purchasing. These are supported by the sustainability departments.

The management approach includes specific process regarding resource inflows and outflows considering technological, biological and product cycles. For resource inflows, the related key measures regarding purchased resources are mainly managed in purchasing, product design and R&D processes.

The process of material approval, managed by R&D, serves among other purposes the identification of recycled and renewable materials to be introduced in production processes. The process of material approval usually consists of a laboratory evaluation, followed by testing and a processing evaluation before a material is released.

The sourcing of renewable and recycled materials partially includes active supplier development, which is managed by the purchasing departments, as well as the sourcing of materials within traceability mechanisms like the mass balance approach.

In addition, Continental engages with selected suppliers in strategic supplier meetings to intensify activities regarding circularity such as through respective adaptation in product design and material composition.

For resource outflows, the management approach comprises measures with regard to the circularity of products that are mainly managed within product design as well as R&D processes, with a focus on improved reusability, repairability, recyclability, durability and overall circularity. This includes own activities as well as industry cooperations and partnerships.

Continental's sustainability ambition sets the overarching framework for the definition and implementation of measures.

For the traceability of dedicated materials, Continental applies the ISCC PLUS framework as described in more detail in the following subsections of this section.

The management approach and the related measures take into consideration in particular the requirements of customers and requests of investors. For resource inflows, especially direct suppliers as part of the upstream value chain are directly involved. For resource outflows, the perspectives of stakeholders relevant to end-of-life treatment are also taken into account, for example in industry initiatives.

Continental communicates its approach to managing circularity externally through the publication of the annual report as well as trade fairs, press releases and dialogues with investors, and internally using various channels such as conferences on sustainability and products, working groups and the company-wide intranet.

Waste in own operations
To minimize the negative impact of landfilling or incineration of non-recyclable waste from own operations and to make the best possible use of opportunities in relation to waste efficiency, Continental has developed a management approach for waste that is integrated into the general environmental management. A defined waste hierarchy has been introduced at the locations for this purpose. It prioritizes actions to reduce waste generation, followed by reusing materials, recycling, and recovering energy from waste. The least preferred option is disposal, such as landfill. By following this hierarchy, we can reduce environmental impact and promote sustainable use of resources. Continental strives to gradually reduce the amount of waste and the generation of waste at its locations step by step and year by year. Due to the different business activities within the company, specific programs are designed by the individual group sectors in line with respective needs.

The management approach for waste in own operations covers the entire Continental Group.

Continental's environmental strategy is steered and approved by the Executive Board. The associated programs are coordinated in internal committees of the environmental protection departments.

The waste management is embedded in Continental's environmental management systems.

Waste-related processes are monitored and continuously improved as part of the general reviews of environmental management.

Continental's environmental management system was developed in accordance with ISO 14001, an internationally recognized standard for environmental management systems from the International Organization for Standardization (ISO).

The management approach reflects the interests of various stakeholders by using the widely accepted waste hierarchy and the adherence to ISO 14001. The direct interaction with stakeholders in relation to waste takes place in particular with the responsible authorities.

Continental communicates its management approach to waste management through various channels to ensure comprehensive understanding and engagement across the entire company. This includes information on the intranet, which makes the approach and specific internal rules accessible to all employees.

Targets Related to Resource Use and Circular Economy

As part of its sustainability ambition in relation to circularity and carbon neutrality, Continental has set a public sustainability target for the Tires group sector with regard to recycled and renewable material inflows. Continental has set for itself the target of increasing the share of recycled and renewable production materials for tires to at least 40 % by 2030.

The target is related to Continental's management approaches Circularity as noted in this section, and Scope 3 emissions, portfolio resilience and transition in the Climate change (ESRS E1) section of this sustainability report. The processes of the management approach to circularity in terms of resource inflows are decisive for achieving the defined target. These are focused on resource inflow and enable this target to be achieved, as increased share of recycled and renewable materials is expected to lead to a lower carbon footprint for materials while at the same time enabling closed-loop resource cycles.

Continental has identified key levers regarding resource inflows to increase the share of recycled and renewable tire production materials. These comprise measures on the selection of recycled and renewable materials, which are usually managed by R&D, as well as the identification of new suppliers and the further development of existing suppliers to secure relevant quantities of recycled and renewable materials in the purchasing processes. These are set out in specific material roadmaps and are regularly updated. Corresponding certifications of origin or other instruments for origin and traceability contribute towards achieving the target by making it possible to create transparency in the supply chains.

Transitioning away from non-renewable resources will be achieved by replacing non-renewable materials with alternatives from renewable sources. In addition, the replacement of primary materials with materials from secondary sources, e.g. from recycling processes, contribute towards achieving the target. For selecting renewable and recycled materials, the technical ability to integrate these without compromising safety and performance into our tires is prerequisite. This is ensured in the general process of material approval by R&D through detailed assessments and tests that take into account the material characteristics, their interdependencies in the overall material composition and the tires as the end product. In general, some materials can be replaced by technically identical alternatives without changing the material composition or the end product, e.g. when a primary material is replaced by the same but recycled material. In addition, in some cases, replacing materials with alternative and technically slightly different yet renewable or recycled materials can lead to smaller differences in the end product. In doing so, Continental always ensures the same level of product safety and performance as well as takes further relevant boundary conditions into account.

Based on the materials identified and approved as recycled or renewable resource inflow, a joint strategy development process takes place between purchasing, R&D and sustainability. For materials identified with a potential to contribute to the target in a significant manner, dedicated material roadmaps are developed and maintained by the purchasing departments. These roadmaps assess the general availability of the respective materials for the required quantities and allow conclusive analysis on their availability on the market at economically compatible costs. Securing sufficient quantities of these materials is ensured through a balanced purchasing strategy that includes long-term contractual agreements as well as short-term purchasing activities for flexibility in dynamic markets.

The transparency and provision of evidence of the use of renewable and recycled materials is a key lever to achieving the set target. As for many of our highly complex chemical value chains, material flows can hardly be traced physically on one-on-one level. Therefore, Continental also applies the mass balance approach (MBA) to purchases of materials, e.g. within the scope of ISCC PLUS. The purchasing departments as well as the sustainability department of the Tires group sector are primarily managing related activities.

The scope of this sustainability target relates to all materials for tire production in the Tires group sector's own operations. The retreading of tires as well as non-production materials are not taken into account in achieving this target.

This intensity target is measured on the basis of the metric for the weight share of renewable and recycled materials for tires production as a percentage. The base year is 2024 and therefore the baseline value corresponds with the current result of the metric.

No interim targets have been set.

The overall commonly recognized concept of circularity includes in particular recycling and the use of renewable resources following with scientific studies. Continental's target setting follows this general approach but does not consider a specific methodology for science-based target setting.

In order to ensure the accuracy of material inflows accounted as recycled or renewable, mass balance approaches prevailed as feasible option in the past years in complex value chains. It allows regulated, transparent and certified accounting of respective materials. Continental follows those commonly recognized certification schemes with the mass balance approach.

The methodology for calculating the metric is described in the corresponding explanations for the metric. The target was defined based on internal qualitative analysis and calculations with regards to the increase of the share of recycled and renewable materials. In general, materials are classified as renewable due to their general origin, and as recycled if they are of secondary origin. Renewable materials include bio-based resources that can return to their previous stock levels through natural growth or renewal processes at a rate in line with use cycles. The target level of at least 40 % was defined based on internal feasibility studies as well as market extrapolations.

The target takes into account the interests of different stakeholders such as customers using direct and indirect consultations.

In the reporting period, the target was reported for the very first time.

Continental's target focuses on the resource inflows, especially with regard to the increase in the share of renewable and secondary materials as well as the reduction in the use of primary materials. We follow the cascading principle to use raw materials or products made of them for as long, as often and as efficiently as possible.

The target in particular supports the recycling level of the waste hierarchy.

The target has been set voluntarily to support the transition towards closed resource and product cycles.

Key Actions for Target Achievement

Continental has introduced concrete key actions to achieve the target of at least 40 % recycled and renewable materials share in tire production by 2030. These actions mainly relate to the key levers of material identification, strategies for securing sufficient supplies and traceability, e.g. via the mass balance approach. Overall, actions related to the target are also strongly connected with the overall management approach of circularity. In order to be able to react flexibly to the changing market situation and changing needs, the actions are further developed step by step.

The identification of renewable and recycled materials is one decisive factor to reach the target. Thus, the research and development department is continuously monitoring alternative materials to replace non-renewable sources with renewable sources and primary sources with secondary sources. Innovative approaches are pursued as the usage of plant-based materials instead of fossil-based fillers, oils and resins. The activities aimed at increasing the share of recycled or renewable materials are inherently embedded into the operational processes of R&D. Thus, there is one overall process for material identification including material approval that is identical for recycled and renewable materials as well as non-recycled and non-renewable materials.

As the availability of certain materials is crucial, there is a defined set of renewable and recycled materials suitable to enable reaching the target. These materials are identified by internal experts from R&D, sustainability and purchasing. This serves as a foundation to develop corresponding material roadmaps and purchasing strategies which are continuously monitored and updated. Materials that contribute towards increasing the share of recycled and renewable production materials in the initial steps are, in particular, recovered carbon black and recycled polyester.

On the basis of the identified materials that contribute towards achieving the target of a minimum of 40 % recycled and renewable materials for tire production, purchasing strategies including material roadmaps are created with the involvement of experts from purchasing, R&D and sustainability. The creation and review of these roadmaps defines the overall framework of measures for the long-term procurement of the respective materials with implementation scenarios. In addition, concrete short-term actions are developed on this basis as flexible elements such as material-specific procurement activities in order to react to changing market situations. These plans are coordinated and agreed with the board of the Tires group sector, and regularly reviewed and adapted as needed. While the integration of selected materials requires only limited adaptation in production processes, their availability in terms of large volumes at economically compatible cost is a decisive factor. In any case, Continental guarantees the same uniform level of safety and performance of all our tires. Whenever possible, Continental strives to secure volumes of relevant materials in the long term.

For the Tires group sector, natural rubber is a key raw material that also contributes towards the share of renewable and recycled production materials. Therefore, with our partnerships along the value chain and the corresponding purchasing strategies, Continental will continue to source natural rubber and secure sufficient quantities for the coming years. As concrete examples of actions that contribute towards achieving the target, Continental invests in processes for obtaining high-quality recycled materials for example through the strategic partnership with Pyrum to implement a circular approach to recycling of old tires. Using a special pyrolysis process, carbon black, oil and gas are recovered as secondary resources and used for the production of new tires, among other purposes. Similarly, with its ContiRe.Tex solution, Continental has invented together with the partner Otiz a process for high-performance yarn that allows conventional polyester to be replaced with polyester made from recycled PET-bottles. First products with recycled PET bottles are already introduced and a global rollout of this material in all Continental tire plants is foreseen within the year 2025.

The creation of transparency and reliable information on recycled and renewable materials through the various steps in our complex value chains is a key action for Continental. Over the last few years, mass balance approaches prevailed as standard especially in chemical industry, allowing the regulated and transparent accounting of the quantities and the respective characteristics of recycled and renewable materials. We see mass balance approaches as a necessary tool for the transition away from fossil resources in our material value chains. It reduces complexity, speeds up the adoption of materials and ensures continuous supply. If materials certified as recycled or renewable are combined with other non-certified materials in production processes, accounting following the mass balance approach ensures accurate recording and allocation of the respective certified shares according to the actual material inflows. In this way, the quantities accounted as recycled and renewable are correspondingly certified and made transparent and traceable along the entire value chain. We therefore require suppliers to actively participate in these frameworks where relevant, for example ISCC PLUS.

The actions with regards to increasing the recycled and renewable share in tire production materials are embedded into operational activities especially in the areas of research and development and purchasing. The actions include short- and medium-term measures.

The progress of the related actions (in the reporting year) is especially measured by the progress of the target KPI

Capital expenditures and operating expenditures for key actions to achieve the target related to resource use and circular economy

OpEx for key actions	2024
OpEx for key actions to achieve targets related to resource use and circular economy, in € millions	1,009

Definitions, assumptions, and calculation methods:
- *Includes operating expenditure (OpEx) for key actions to implement the targets relating to resource use and circular economy. Material costs for renewable and recycled materials in the Tires group sector are considered.*
- *The data collection is done on the level of materials. The calculation is based on an average data method. Primary data from inventory levels and purchasing data are used.*

CapEx for key actions	2024
CapEx for key actions to achieve the target related to resource use and circular economy, in € millions	0

Definitions, assumptions, and calculation methods:
- *Includes the capital expenditures (CapEx) for key actions to implement the targets relating to resource use and circular economy. Project costs and intangible assets for the technology conversion for production using renewable and recycled materials in the Tires group sector are considered.*
- *Data is collected at project level.*

Planned OpEx for key actions	Next 5 years
Planned OpEx for key actions to achieve the target related to resource use and circular economy, in € millions	4,734

Definitions, assumptions, and calculation methods:
- *The time horizon applied is in line with the approved long-term planning.*
- *Includes operating expenditure (OpEx) for key actions to implement the targets relating to resource use and circular economy. Material costs for renewable and recycled materials in the Tires group sector are considered.*
- *The data collection is done on the level of materials. The calculation is based on an average data method. Primary data from inventory levels and purchasing data are used.*

Planned CapEx for key actions	Next 5 years
Planned CapEx for key actions to achieve the target relating to resource use and circular economy, in € millions	0

Definitions, assumptions, and calculation methods:
- *The time horizon applied is in line with the approved long-term plan.*
- *Includes the capital expenditures (CapEx) for key actions to implement the targets relating to resource use and circular economy. Project costs and intangible assets for the technology conversion for production using renewable and recycled materials in the Tires group sector are considered.*
- *Data is collected at project level.*

Metrics Relating to Resource Use and Circular Economy

Resource inflows

Total weight of products and materials used	**2024**
Total weight of products (including packaging) and materials used, in million t	3.7

Definitions, assumptions, and calculation methods:
- *Includes technical and biological materials. Services, property, plant, equipment, and trading goods are excluded.*
- *If no weight information is available, these are calculated using the costs of the materials and goods, such as packaging materials, with conversion factors. Calculated inventory stock level at 01.01. is considered.*

Percentage of sustainable biological materials	**2024**
Percentage of sustainably sourced biological materials (and biofuels used for non-energy purposes), in %	8.2

Definitions, assumptions, and calculation methods:
- *Biological materials are considered renewable materials according to generally recognized standards.*
- *Sustainably sourced refers to resource inflows that have been verified by external standards and certifications or other comparable schemes. In particular, this includes our procurement of natural rubber via defined processes based on specific sustainability criteria such as the Global Platform for Sustainable Natural Rubber (GPSNR) and our Sustainable Natural Rubber Sourcing Policy.*

Weight of secondary components, intermediate products and materials used for products and services	**2024**
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products and services (including packaging), in million t	0.2

Definitions, assumptions, and calculation methods:
- *The total weight of materials used to manufacture products corresponds to the quantities of materials purchased. This value is corrected by a calculated factor for the change in inventory levels.*
- *Packaging from the upstream supply chain is not included.*
- *The proportion of secondary materials is based both on information from suppliers and, in some cases, expert assessments for certain materials. Due to missing or inconsistent data on packaging in some cases, internal expert assessments of the weight of specific packaging types were used to extrapolate the total weight using a factor and corresponding expenditure.*

Percentage of secondary components, intermediate products and materials used for products and services	**2024**
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture products and services (including packaging), in %	5.3

Definitions, assumptions, and calculation methods:
- *This metric is made up of the previously defined metrics.*

Weight of renewable and recycled material inflow	**2024**
Total weight of renewable and recycled material inflow, in million t	0.6

Definitions, assumptions, and calculation methods:
- *Non-production-related materials, including packaging, are excluded. The total weight of raw materials used to manufacture products corresponds to the quantities of materials purchased. This value is corrected by a calculated factor for the change in inventory levels.*
- *The metric is entity-specific.*

Inflow of renewable and recycled materials	**2024**
Percentage of renewable and recycled material inflow, in %	18.4

Definitions, assumptions, and calculation methods:
- *The total weight of recycled and renewable raw materials used to manufacture products corresponds to the quantities of materials purchased. This value is corrected by a calculated factor for the change in inventory levels.*
- *Non-production-related materials, including packaging, are excluded.*
- *The metric is entity-specific.*

Weight of renewable and recycled material inflows (Tires)	**2024**
Total weight of the renewable and recycled materials inflow (raw materials of the Tires group sector only), in million t	0.5

Definitions, assumptions, and calculation methods:
- *This metric only encompasses the Tires group sector and relates to Continental's public sustainability target for circularity.*
- *The total weight of recycled and renewable raw materials used to manufacture products corresponds to the purchased quantities of materials of the Tires group sector. This value is corrected by a calculated factor for the change in inventory levels.*
- *The metric is entity-specific.*

Inflow of renewable and recycled materials (Tires)	**2024**
Percentage of inflow of renewable and recycled materials (only raw materials of the Tires group sector), in %	26.0

Definitions, assumptions, and calculation methods:
- *The total weight of recycled and renewable raw materials used to manufacture products corresponds to the quantities of materials purchased. This value is corrected by a calculated factor for the change in inventory levels.*
- *The absolute weight of renewable and recycled raw material inflows in the Tires group sector is divided by the total weight of the products and materials used in the Tires group sector.*
- *The metric is entity-specific.*

These resource inflows are described in greater detail in the management approach Circularity presented in this section and in the Description of the business model and value chain subsection of the General disclosures (ESRS 2) section.

Resource outflows

Continental's main resource outflows including waste in regard to their material impacts, risks and opportunities are described in this section and in the General disclosures (ESRS 2) section.

Products and materials

Continental's product portfolio covers a broad spectrum, particularly in the areas of industry and vehicles. A detailed description can be found in the General disclosures (ESRS 2) section. The implementation of our sustainability ambition to achieve 100 % closed resource and product cycles by 2050 at the latest is described in particular in the management approach Circularity in this section.

Rates of recyclable content in product packaging	**2024**
Rates of recyclable content in product packaging, in %	100

Definitions, assumptions, and calculation methods:
- *The quantity of packaging purchased corresponds to the quantity of packaging used.*
- *The data is reported centrally.*

Rates of recyclable content in products	**2024**
Rates of recyclable content in products, in %	61.3

Definitions, assumptions, and calculation methods:
- *Data is based on purchasing data and calculated on a group sector-specific basis.*
- *This metric defines the proportion of the weight of the contents of products that can potentially be recycled. This value may differ significantly from the actual recycling of this content.*
- *If no weight data is available, it is calculated based on the cost of materials and goods, such as packaging materials, using conversion factors. The calculated inventory as of January 1st is considered.*

Continental has a diverse product portfolio serving the automotive and other industries. Due to the differences in the individual products, target markets, use cases and user behavior, it is almost impossible to predict the expected durability across the board. The actual durability of a specific product may deviate from the following estimates in individual cases.

For all tires, service conditions vary widely depending on vehicle and use as well as other factors such as inflation pressure, load, speed, road conditions, frequency of rotation, and storage conditions. Nonetheless regarding the estimated durability of tires, it is essential to replace passenger car tires and commercial vehicle tires when the tread depth falls below 1.6 mm, as this is the minimum legal limit across the European Union. In industry-wide product tests by external associations, passenger car tires often achieve an overall mileage of 20,000 km to 70,000 km until the legal minimum tread depth of 1.6 mm is reached. There, Continental tires rank among the best. Furthermore, in the tire industry, it is generally recommended to check and replace a tire after 10 years if needed.

For the automotive industry, the key products of the Automotive group sector are electronic brake systems, electronic control units, telematics, access systems, as well as surround radars and display solutions. For the ContiTech group sector, the product portfolio comprises a wide selection of products ranging from components for vehicle interiors to steering systems and air spring systems specifically for commercial vehicles. Generally, the service life of our products for the automotive industry must be equal to the entire service life of the vehicle and thus correspond to the operational service life of the vehicle in which they are installed. In accordance with the assumptions applied to Scope 3 emissions for the use of products sold, the average service life of a passenger car is estimated at 200,000 km and that of a commercial vehicle at 1,000,000 km. Although expected service life can vary widely depending on vehicle type and application conditions, our products for the automotive industry meet the durability expectations of automotive manufacturers, which are generally a minimum service life of 150,000 km and/or 10 years.

The industry business of the ContiTech group sector has a highly diverse portfolio with different applications and specifications in numerous branches such as drive belts, storage solution, hoses and niche products like printing blankets. The expected durability can vary significantly depending on sourrounding conditions and the final use-case of the product, that is not always known to Continental. These main factors influencing the product's longevity are setting a product lifespan ranging from a few years up to several decades.

To date, there is no established external assessment system for the repairability of Continental's products. Nevertheless, we are constantly working on expanding circular product design, as described in the management approach on circularity, and offer corresponding services and products, among others. In principle, our products can be repaired in the event of damage, but the actual possibility depends on many factors, including the actual condition of the product and the degree of damage. In particular, damage such as punctures in the tire can be sealed again using specific procedures so that the tire can continue to be used. In the case of products for the automotive industry, repairs can often be carried out in motor vehicle workshops. Continental operates its own international network of workshops in this area. Products from the ContiTech group sector can also be repaired under certain conditions in the event of damage. We also offer corresponding services such as the repairing of our conveyor belts and hose solutions.

For safety-relevant components (e.g. tires), restrictions on repairability may also apply for safety reasons. The corresponding management approaches Technical and product compliance and Safe mobility can be found in the Consumers and end-users (ESRS S4) section.

Waste and recyclable content

Waste diverted from disposal, in million t	2024
(1) Non-hazardous waste for reuse	0.000
(2) Non-hazardous waste for recycling	0.309
(3) Non-hazardous waste for other recovery operations	0.069
(4) Non-hazardous waste diverted from disposal	**0.378**
(5) Hazardous waste for reuse	0.000
(6) Hazardous waste for recycling	0.017
(7) Hazardous waste for other recovery operations	0.009
(8) Hazardous waste diverted from disposal	**0.025**
(9) Total waste diverted from disposal	**0.403**

Definitions, assumptions, and calculation methods:
Overarching information for positions (1) – (9):
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation. Additionally, the December waste for individual locations has been calculated in case the necessary data or receipts were not available at the time of reporting.*
- *Waste that contractually belongs to an external third party is not taken into account.*
- *Hazardous waste is considered following the Annex III of Directive 2008/98/EC of the European Parliament and of the council of waste.*
- *Non-Hazardous waste considers waste which is not covered by the definition of hazardous waste.*

(1) Non-hazardous waste for reuse
- *Reuse refers to any process where products and components that are not waste are used again for the same purpose for which they were designed, without significant modification.*
- *Material for reuse does not end up in the waste register. Instead, it is immediately transferred to the corresponding material storage facility.*
- *Consequently, no waste is generated that is intended for reuse.*

(2) Non-hazardous waste for recycling
- *Recycling is defined as any recovery process in which waste materials are reprocessed into products, materials, or substances, whether for the original or another purpose.*

(3) Non-hazardous waste for other recovery operations
- *Other recovery operations include the generation or recovery of energy through incineration of waste that is to be used as fuel or other means to generate energy.*

(4) Non-hazardous waste diverted from disposal
- *Total of positions (1) to (3)*

(5) Hazardous waste for reuse
- *Reuse refers to any process where products and components that are not waste are used again for the same purpose for which they were designed, without significant modification.*
- *Material for reuse does not end up in the waste register. Instead, it is immediately transferred to the corresponding material storage facility. Consequently, no waste with the intention of reuse is available.*

(6) Hazardous waste for recycling
- *Recycling includes all recovery processes in which waste materials are reprocessed into products, materials, or substances, whether for the original purpose or for another purpose.*

(7) Hazardous waste for other recovery operations
- *Other recovery operations cover the purpose to generate or recover energy by incineration of waste that is to be used as fuel or other means to generate energy.*

(8) Hazardous waste diverted from disposal
- *Total of positions (5) to (7)*

(9) Total waste diverted from disposal
- *Total of positions (4) and (8)*

Waste directed to disposal, in million t	**2024**
(10) Non-hazardous waste for incineration	0.001
(11) Non-hazardous waste for landfill	0.041
(12) Non-hazardous waste for other disposal operations	0.006
(13) Non-hazardous waste directed to disposal	**0.047**
(14) Hazardous waste for incineration	0.003
(15) Hazardous waste for landfill	0.006
(16) Hazardous waste for other disposal operations	0.005
(17) Hazardous waste directed to disposal	**0.014**
(18) Total waste directed to disposal	**0.061**

Definitions, assumptions, and calculation methods:
Overarching information for positions (10) – (18):
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation. Additionally, the December waste for individual locations has been calculated in case the necessary data or receipts were not available at the time of reporting.*
- *Waste that contractually belongs to an external third party is not taken into account.*
- *Hazardous waste is considered following the Annex III of Directive 2008/98/EC of the European Parliament and of the council of waste.*
- *Non-Hazardous waste considers waste which is not covered by the definition of hazardous waste.*

(12) Non-hazardous waste for other disposal operations
- *Other disposal operations are defined as disposal activities that are not considered under incineration or landfill. This includes, for example, the pre-treatment of predominantly liquid and pasty special waste using a variety of chemical, thermal and physical processes to achieve an output suitable for disposal.*

(13) Non-hazardous waste directed to disposal
- *Total of positions (10) to (12)*

(16) Hazardous waste for other disposal operations
- *Other disposal operations are defined as disposal activities that are not considered under incineration or landfill. This includes, for example, the pre-treatment of predominantly liquid and pasty special waste using a variety of chemical, thermal and physical processes to achieve an output suitable for disposal.*

(17) Hazardous waste directed to disposal
- *Total of positions (14) to (16)*

(18) Total waste directed to disposal
- *Total of positions (13) and (17)*

Total waste generated	**2024**
Total amount of waste generated, in million t	0.464

Definitions, assumptions, and calculation methods:
- *The metric comprises the total waste from all locations worldwide. Sold or discarded machines, wastewater and waste that contractually belongs to an external third party are not included.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*

Hazardous waste	**2024**
Total amount of hazardous waste, in million t	0.039

Definitions, assumptions, and calculation methods:
- *Sum of items (8) and (17) from the tables “Waste diverted from disposal” and “Waste directed to disposal”.*
- *Waste that contractually belongs to an external third party is not taken into account.*

Radioactive waste	**2024**
Total amount of radioactive waste, in million t	0.000

Definitions, assumptions, and calculation methods:
- *Radioactive waste is defined in Article 3 (7) of Council Directive 2011/70/Euratom (Annex I).*
- *Continental does not generate any radioactive waste.*

Non-recycled waste	**2024**
Amount of non-recycled waste, in million t	0.138
Percentage of non-recycled waste, in %	29.9

Definitions, assumptions, and calculation methods:
Amount of non-recycled waste
- *Sum of items (3), (7) and (18) from the tables “Waste diverted from disposal” and “Waste directed to disposal”.*
- *Waste that contractually belongs to an external third party is not taken into account.*

Percentage of non-recycled waste
- *Amount of non-recycled waste divided by the amount of waste generated.*

Waste for recovery quota	**2024**
Waste for recovery quota, in %	87.2

Definitions, assumptions, and calculation methods:
- *This metric is the total of hazardous and non-hazardous waste for recovery and energy recovery divided by the total volume of waste.*
- *Contrary to the amount of waste, construction waste is not included.*
- *The data is collected by the individual locations. For certain locations, modeled calculations are used considering the number of employees and the type of operation.*
- *The metric is entity-specific.*

Relevant waste streams are described in this section in the management approach Waste in own operations.

The materials contained in Continental’s waste are largely determined by the specific resource inflows and are described in the management approaches in this section.

Sustainability Report – Social Information

Own Workforce (ESRS S1)

Material Impacts, Risks and Opportunities Related to Own Workforce

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative and positive impacts, risks and opportunities have been identified in relation to own workforce. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As positive impacts as well as opportunities are strengthened by Continental's management approaches, the descriptions are presented taking a net perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Labor standards

- In 2024, Continental recorded individual incidents related to working time in its own workforce. Beyond the confirmed incidents, Continental operates in countries, certain markets and business activities in which significant negative impacts related to working time can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 41)

- Continental operates in countries, certain markets and business activities in which Continental's working time arrangements presumably have a significant positive impact on its own workforce. Assuming that this can put pressure on other market participants to also introduce higher standards, this could also have a positive impact on the market environment. (see ESRS 2, IRO table, impact 42)

- Continental has recorded individual incidents of discrimination within own workforce for 2024. Beyond the confirmed incidents, Continental operates in certain markets and business activities where significant negative impacts related to discrimination within own workforce due to gender, age, race, skin color, health status, disability, social or ethnic origin, nationality, sexual orientation, political opinion, religion or beliefs, or any other characteristics protected by applicable laws and regulations can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 49)

- Continental operates in certain markets and business activities in which significant negative impacts related to forced labor (including debt bondage) can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 50)

- Continental operates in certain markets and business activities where significant negative impacts related to child labor and young workers can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 51)

- Continental operates in certain markets and industries where potential incidents related to labor laws, other regulations or contractual agreements with customers regarding working conditions and labor standards could occur within the own operations. If, in the worst-case scenario, due diligence processes were to fail and serious violations were to occur, Continental can face sanctions with substantial penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 53)

- Continental operates in certain markets and industries where potential incidents can occur in relation to harassment or discrimination in the workplace in own operations. If, in the worst-case scenario, due diligence processes were to fail and serious violations were to occur, Continental could face sanctions with substantial penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 55)

- Continental operates in certain markets and industries where potential incidents can occur in relation to forced labor (including debt bondage), child labor and other human rights. If, in the worst-case scenario, due diligence processes were to fail and serious violations were to occur, Continental can face sanctions with substantial penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 56)

- Continental operates in certain markets and industries where potential incidents can occur in relation to forced labor (including debt bondage), child labor and other human rights. If, in the worst-case scenario, due diligence processes were to fail and serious violations were to occur, Continental could face potential boycotts, which in turn, if managed reasonably, could lead to critical sales losses in the respective business activities, especially in the medium term. (see ESRS 2, IRO table, risk 57)

Adequate wages

- Continental has recorded individual incidents within own workforce related to inadequate wages and unfair payment in 2024. Beyond the confirmed incidents, Continental operates in countries, certain markets and business activities where significant negative impacts related to inadequate pay or unfair pay can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 39)

- Continental operates in countries, certain markets and business activities in which it can be assumed that Continental has some positive impact on the market environment by paying adequate wages if it is assumed that this could put pressure on other market participants to also pay adequate wages. This positive impact is seen as relevant to the information needs of users of sustainability reporting. (see ESRS 2, IRO table, impact 40)

Work-life balance

- Continental operates in industries in which significant challenges to the work-life balance of its own employees (e.g. in connection with shift models) can arise if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 43)

Training and skill development

- Continental provides training and measures for skill development in countries, certain markets and business activities where it is assumed that the implemented training and measures for skill development for Continental's own workforce have a significant positive impact on its own workforce as well as on the market environment, as this could put pressure on other market participants to also offer training and measures for skill development on this scale. (see ESRS 2, IRO table, impact 48)

- Continental operates in markets with strong competition, including for skilled workers. If the company does not succeed in recruiting, retaining and training qualified employees or managing employee turnover appropriately, this can lead to significant interruptions and productivity losses in the respective business activities, especially in the medium term. (see ESRS 2, IRO table, risk 54)

Secure employment and social dialogue

- Continental operates in countries, certain markets, industries and business activities that are undergoing a considerable transition, which is already having a moderate negative impact on job security. The transition could also have substantial negative impacts on employees in connection with job security (e.g. due to transformation projects, site closures or restructuring), if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 45)

- Continental creates jobs and provides secure employment and qualifications in countries, markets and certain business activities where it is assumed that this has significant positive impacts for the employees and the local markets. (see ESRS 2, IRO table, impact 46)

- Continental maintains social dialogue through various channels and takes into account in particular the representation of its own workforce as well as employee participation, e.g. in the form of employee surveys, which is expected to have a significant positive impact, particularly on its own employees and their representatives. (see ESRS 2, IRO table, impact 47)

Employee privacy

- Continental processes vast amounts of employee data in own operations. In particular, given the size of Continental's workforce and the company's global presence, significant potential violations of employees' data protection rights can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 52)

Occupational safety and health

- Continental operates in industries and types of operations in which there are numerous potential sources of health hazards for employees, particularly with regard to the use of machinery, physically demanding workplaces, accidents and the handling of hazardous substances, ergonomics and psychological risks. In 2024, Continental recorded accidents and health-related incidents. Beyond the recorded accidents and confirmed incidents, significant negative impacts on the health of own workforce could occur if these are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 44)

Further Information on the IRO Assessment in Relation to Own Workforce

In the IRO assessment, Continental identified both actual and potential positive and negative impacts on its own workforce in the topic areas of labor standards, adequate wages, work-life balance, training and skill development, secure employment and social dialogue, employee privacy, and occupational safety and health as described at the beginning of this section. These impacts are associated with Continental's strategy and business model and relate in particular to countries, certain markets, industries, and business activities that are critically or significantly exposed to such impacts.

The identified actual and potential impacts on own workforce are important for adapting the strategy and business model. The development of measures and strategic decisions based on the identified impacts are described as part of the management approaches.

As indicated by the respective descriptions, all identified risks result directly from identified actual and potential impacts as well as from the dependence on own workforce as an important intangible resource. They are also based on the breadth and diversity of countries, markets, industries and business activities in which Continental operates.

Therefore, the risks are inherently linked to Continental's strategy and business model.

The consolidation at group level of the assessment of the impacts, risks and opportunities for own workforce includes Continental's entire workforce. Links to business activities, the product portfolio and the value chain are taken into account where relevant.

In general, our activities have an actual or potential positive or negative impact on the entire workforce of Continental – both own employees and non-employees. The group of non-employees also includes temporary workers and subcontractors.

The IRO assessment led to a deeper understanding of which parts of the workforce are at greater risk of harm based on particular activities, contexts or characteristics. This understanding results in particular from the consideration of industry specifics, regional characteristics and potential discriminatory features as part of the IRO assessment, as described in the respective IROs.

Continental operates in many industries, countries and markets worldwide and is therefore also represented in regions where there is considerable potential for negative impacts with regard to child labor, in particular India, Brazil and South Africa.

The same also applies to forced labor (including so called debt bondage), in particular in China, Mexico and India.

The assessment of the material negative impacts regarding own workforce were integrated in the general impact, risk and opportunity assessment following the defined methodology (see the Overview of material impacts, risks and opportunities subsection in the General disclosures (ESRS 2) section).

The methodology takes into consideration two perspectives: All negative impacts are to be considered widespread or systemic as they relate to countries, certain markets, industries and business activities where Continental operates. In addition, the methodology takes into account event-based actual negative impacts wherever the impact description contains a reference to concrete actual incidents.

The reported positive impacts on the workforce are related to the activities described under the management approach for the respective IRO cluster.

The material impacts on own workforce are not directly related to changes resulting from sustainability, e.g. the transition towards zero-tailpipe-emission vehicles.

Material risks arising from the impacts and dependencies on own workforce relate to Continental's entire workforce.

Management Approaches to Own Workforce

This section describes the management approaches that Continental pursues in order to address the material impacts on own workforce and the associated material risks. These are subdivided into the following areas: labor standards, adequate wages, work-life balance, training and skill development, secure employment and social dialogue, employee privacy, and occupational safety and health.

Labor standards
Continental has defined an approach for the management of labor standards for its own workforce that is intended to prevent and reduce actual and potential negative impacts and risks as well as strengthen positive impacts with regard to working time, discrimination, forced labor and child labor as well as other human rights and working conditions. This is part of the "Responsible Value Chain Due Diligence System" (RVCDDS).

Continental is thus pursuing the ambition of creating good working conditions and a 100 % responsible value chain by 2050 at the latest. As part of the RVCDDS, Continental has adopted so-called Responsible Value Chain Commitments (RVC commitments), which include the following for the area of labor standards: no child labor, fair payment, equal treatment, no forced labor or modern slavery, freedom of association and working conditions, including working time.

With the specific RVC commitment for equal treatment, Continental strives for a working environment that is free from discrimination, including harassment, in any form. This is an integral part of the management system and is supported by dedicated diversity management aimed at promoting equal opportunities and advancing diversity and inclusion.

The commitment explicitly addresses creating a working environment free from any form of discrimination based on gender, age, race, skin color, health status, disability, social or ethnic origin, nationality, sexual orientation, political opinion, religion or beliefs or any other characteristics protected by applicable laws and regulations.

The topic of inclusion and actions for people from vulnerable groups of employees are also covered by this commitment.

The management approach also covers the prevention of potential trafficking in human beings, forced labor or compulsory labor and child labor. Continental firmly rejects any form of child labor and does not employ people under the age of 15 or under the age at which compulsory schooling ends or under the applicable country's minimum age for employment, whichever is greatest. Young employees under the age of 18 need to be treated with special diligence. Any form of forced labor, modern slavery, debt bondage, trafficking, or any other form of labor not conducted voluntarily is also firmly rejected. Workers must be provided with documented employment terms or an offer of employment in a language they are able to understand. Migrant workers need to be treated with special diligence.

The management approach directly covers Continental's own employees, while the RVC commitments also include non-employees.

Overall accountability for the RVCDDS, including the RVC commitments for labor standards, lies with the Executive Board. The latter has appointed a human rights officer who manages the system. The specific human relations (HR) frameworks for labor standards are defined and implemented by the respective HR departments along the company structure. Responsibility for the implementation of the labor standards lies with the management of the respective legal entities.

The system is comprised of many processes that include strategy development and implementation, the management of regulations, impact and risk management, incident management (including whistleblowing) and training. In order to monitor the effectiveness of the system, a multi-stage process has been set up based on the "three lines" model. The first line is formed by the local operational HR departments. They implement the operational tasks at business level and at the location in accordance with the RVCDDS and the associated HR rules. The second line, represented by non-operational HR departments and roles, oversees the system, roles and responsibilities as well as their effectiveness. The third line is Continental's internal audit function, which performs an independent evaluation of the adequacy and effectiveness of the RVCDDS.

Specific preventive and remedial measures are defined for the respective RVC commitments for the area of labor standards, which are implemented by the legal entities, such as self-assessments, the implementation of appropriate rules and instructions, the careful analysis of the working environment with regard to aspects that could cause harm, the implementation of improvement measures and control mechanisms, as well as raising awareness, especially among managers.

With regard to working time, Continental implemented further dedicated processes with regard to flexible working models as stated in detail in the management approach to work-life balance.

As part of an annual review process with the Executive Board, the entire RVCDDS, including the specific processes for labor standards in own operations, is evaluated in terms of effectiveness, adequacy and potential for improvement. The RVCDDS is additionally integrated into Continental's overarching internal control system, the risk management system and compliance management system.

In line with the RVC commitments, the RVCDDS also defines the framework for taking remedial action in own operations. Any identified violations must be addressed promptly and remedial actions must be implemented without unnecessary delay. These actions are designed not only to end the violation but also to ensure that similar issues are prevented in the future.

Specific processes to prevent discrimination and to act accordingly if incidents are identified are part of the RVCDDS and the general processes of the integrity system described in the Business conduct and corporate governance (ESRS G1) section. The prevention of discrimination is implemented through general HR processes in the areas of improving frame conditions and specific initiatives for women, which comprise dedicated awareness-raising events, education offers as well as transparent HR processes in relation to recruitment and talent management. With regard to gender diversity, Continental has defined a target and key actions to achieve the target, as described in the subsections on Targets related to own workforce and Key actions for target achievement in this section.

The management approach is regulated by a dedicated responsible value chain rule. It serves as the basis for further rules defining specifics for labor standards. They are complemented by special processes that are focused on diversity and belonging. Additionally, the respect for human rights and fair working conditions are embedded in Continental's Code of Conduct, which forms the basis for collaboration among all our employees.

Continental's management approach to respect for human rights and labor standards is in line with both international frameworks as well as local regulations. These include the internationally recognized conventions on human rights, such as the United Nations Guiding Principles on Business and Human Rights.

Continental's management approach to respect for human rights and labor standards is also in line with the key points of the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. These commitments serve as a global minimum standard for all Continental locations and form the basis for compliance with local laws and regulations. Additionally, Continental is a signatory of initiatives like the German Charta der Vielfalt (Diversity Charter). The company also endorses the Women's Empowerment Principles established by the UN Global Compact and UN Women, demonstrating its dedication to promoting diversity and inclusion across its operations. Monitoring of the adherence to these standards is anchored in the RVCDDS review process, including a revision of its rules and processes, if required.

To incorporate stakeholder interests into the management system, Continental has established various formats. These include specific workshops and conferences, which are defined as measures by the labor standards rules. Another format is the regular Employee Survey OUR BASICS Live in which Continental's employees are asked about different topics related to Continental's values. The integration of these interests into the system is carried out as part of the annual review process.

To ensure a comprehensive understanding and engagement related to labor standards within the organization, Continental communicates the management approach through diverse channels. This includes our website and internal communication platforms which host trainings as well as the frameworks. In addition, posters and onsite training courses make relevant information available to employees who do not have access to the IT infrastructure. Furthermore, through integration into the onboarding process, new employees are also familiarized with these standards right from the start.

Furthermore, stakeholders involved in implementing the management approach have clearly defined roles within the RVCDDS and are trained on the associated responsibilities to enable effective collaboration and execution of the management approach.

Adequate wages

With its management approach to adequate wages, Continental aims to provide fair pay for all employees, as anchored in the RVC commitments. In those, Continental has formulated the commitment that compensation paid to employees shall comply with all applicable wage laws and regulations, including those relating to minimum wages, living wages, overtime hours, and legally mandated benefits. In compliance with local laws and regulations, employees shall be compensated for overtime in a reasonable way. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, employees shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

The management approach covers Continental's own employees, while the RVC commitment also includes non-employees.

Overall accountability for the management approach lies with the Executive Board. The specific rules are defined and implemented by the respective HR departments along the company structure. Responsibility for the implementation of adequate wages lies with the management of the respective legal entities.

The processes of the RVCDDS, as described in the management approach for labor standards, also apply explicitly to the topic of adequate wages as one of our RVC commitments. The system is comprised of many processes that include strategy development and implementation, the management of regulations, impact and risk management, incident management (including whistleblowing) and training, as well as the "three lines" model for system control.

Continental's general remuneration processes include the involvement of employee representatives and the consideration of benchmarks. These measures create a basis for preventing inadequate wages. In addition, further specific preventive and remedial measures for the legal entities are defined in respective rules. This includes, for example, regularly checking whether payments comply with national and local legislation, clearly communicating remuneration principles to employees, ensuring timely and regular payments and reviewing and updating appropriate benchmarks.

Monitoring is carried out through the annual review process of the RVCDDS, in which the Executive Board is informed of the current status and decides on the effectiveness, adequacy and potential for improvement. The effectiveness of the management approach can also be measured by the metric for adequate wages.

The RVCDDS is formalized by a dedicated rule. Other rules define the specific aspects for fair payment and adequate wages.

With its management approach, Continental follows the internationally recognized standards and frameworks on human rights and labor standards, as described in more detail in the management approach to labor standards, as well as the applicable local laws on wages.

The most important stakeholder perspective to be considered in the management approach to adequate wages is the perspective of employees. To obtain this, the regular Employee Survey OUR BASICS Live includes dedicated questions on the topic of remuneration and recognition, with a special focus on fair payment. Remuneration models are discussed with the involvement of the respective works councils or employee representatives to ensure the consideration of employees' interests. Specific cases of inadequate wages can also be reported through the integrity system.

The consideration of this information is integrated into the overarching annual RVCDDS review process.

To inform all stakeholders affected and those involved in the implementation about the management approach, rules, trainings and further communication material are communicated via Continental's internal communication channels.

Work-life balance

Continental strives to create good working conditions to support the work-life balance and to promote the flexibility and well-being of all employees, regardless of their working time model. In this context, the specific requirements of the various markets in which Continental operates and the different types of activities, are taken into account. One focus is on the challenges of work-life balance, particularly for employees working in shift models.

The management approach covers Continental's own employees, whereby the focuses vary depending on the respective work models.

Governance of the respective measures and frameworks lies with the non-operational HR functions, while the implementation is delegated to the operational local HR departments and managers. Overall accountability for the framework lies with the Executive Board.

Key processes within the management approach cover the areas of flexibility and further employee benefits. With regard to flexible working conditions, Continental has implemented a wide range of measures to enable its employees to achieve a healthy work-life balance. These include, e. g. hybrid work, flexible arrangements and working time models, sabbaticals, family-related leave including parental leave, and partial retirement. Beyond this, Continental offers its employees further benefits, such as childcare opportunities and sport offers. Continental is actively expanding the opportunities of flexible work and is also involving its shopfloor employees in the process. For shift working models, Continental has implemented dedicated processes in accordance with local laws, to enable greater flexibility. The implementation of these measures varies by location and is tailored to local needs and regulations.

The effectiveness of the management approach is monitored through the results of the OUR BASICS Live employee survey which is conducted on a regular basis. In the survey, employees provide feedback on how flexible working models at Continental support them in balancing work and private life. They also give their assessment of how they are able to cope with the stress level in their workplace. This feedback helps to assess and improve Continental's approaches.

The processes for improving the work-life balance of Continental's employees are defined by dedicated internal frameworks and subsequent country-specific rules in adherence with local laws. Additionally, a comprehensive set of guidelines, tools, methods, and upskilling initiatives has been created to promote flexible work models across the organization.

The management approach is not based on specific external standards, but on research findings and best practices with regard to a healthy work-life balance.

To consider employees' interests, Continental is pursuing a collaborative approach by working closely with works councils and actively involving managers, employees and relevant functions such as the law department. The OUR BASICS Live survey offers an additional channel for gaining insights into satisfaction with the work-life balance.

Continental communicates its management approach and flexibility measures via the internal communication channels, making them accessible to employees at any time. This also includes local communication channels to reach employees at production sites. Beyond this, Continental actively uses its communication channels to share information and guidance with its employees on how to improve their work-life balance.

Training and skill development

Continental promotes continuous learning for employees to support them in meeting evolving skills requirements and thereby mitigate risks associated with skill gaps and business interruptions.

The management approach covers all of Continental's own employees.

Accountability for the governance of training and skill development as well as the related tools and learning landscape lies with the different HR functions along Continental's company structure. The framework for specific trainings is defined by the respective functions (e.g. safety and health or compliance). Responsibility for the implementation of the skill development measures lies with the management of the respective legal entities.

Continental's learning landscape provides the frame for meeting the company's training and skill development requirements. This frame is filled with training content developed by the various functions and entities to meet their specific needs and regulatory requirements for employee training. Besides these function- or business-specific trainings, there are overarching training programs that are managed by the HR departments and implemented locally, e.g. offers for leadership development. To host these offers Continental has set up a dedicated learning platform. The platform categorizes the available trainings and programs by topic and makes them accessible to employees. It also manages the allocation of training measures to employees. Monitoring of individual training programs can also be set up through this platform. In addition, the alignment on adequate training and development measures is an integral part of the employee dialogue between supervisors and employees in order to support individual skill development through a standardized process.

In Germany, the Continental Institute for Technology and Transformation (CITT) is an additional important pillar that proactively offers employees the opportunity to upskill themselves in future-oriented fields in order to prepare them for the evolving job market and new requirements. The CITT offers programs and qualification opportunities in the fields of robotics, virtual and augmented reality, 3D printing, agile methods and digital skills, and includes offers for semi-skilled workers, skilled workers and academics. In addition to German locations, the offers are also available at some other European locations.

The management approach regarding training and skill development is defined in several specific HR rules.

For the training architecture for leaders, the ISO Norm 29993 served as a reference.

The most important stakeholders with regard to training and skill development are Continental's own employees who benefit from the training and skill development offers. Their interests are taken into account in the management approach through feedback options on existing training materials. In addition, there are topic-specific learning communities that are established via Continental's internal communication channels. Individual interests and needs are taken into account through regular employee dialogue between employees and supervisors.

Employees are informed about this management approach via dedicated platforms within the internal communication channels. This includes the comprehensive learning platform as well as specific topic-related learning communities, which are aimed at employees in specific areas and inform them about existing training opportunities.

Secure employment and social dialogue

Secure employment and social dialogue are of the utmost interest for the company and for the employees. Therefore, with its corresponding management approach, Continental strives to shape the transition of our industries in close dialogue with our employees, while balancing economic and social needs.

The management approach covers all of Continental's own employees.

In principle, employment matters and social dialogue are regulated by labor law. Therefore, the formal accountability for the management approach is partially determined by local legislation. This includes the responsibilities of the Supervisory Board, the Executive Board, the management of Continental's legal entities as well as the co-determination bodies, e.g. works councils. Operational implementation is primarily managed by Continental's HR departments along the company structure.

Social dialogue and employee engagement are managed through various processes. Formalized processes especially include the representation of employees by works councils or similar structures as well as the regular employee survey OUR BASICS Live. In addition, Continental has established a variety of formats for social dialogue and employee engagement, including townhall meetings, networks, open calls and online platforms. This foundation for social dialogue is also the basis for managing employment matters in the transition of our industries.

With regard to secure employment, Continental has established a set of processes, projects and measures. They mitigate the negative impacts of the transformation on employees and simultaneously create positive effects in terms of the creation of jobs and upskilling.

- In contract design, the focus is on providing employees with long-term offers. Flexible working time, mobile work options, and other benefits regarding employee working conditions, as described in the management approaches to work-life balance and adequate wages, are intended to proactively reduce employee turnover.
- With regard to the impacts of the transformation, Continental has created a range of opportunities to prepare employees for the job market of the future. These are set out in the management approach to training and skill development.
- Job changes are also supported through a global internal job market.
- Especially in Germany, which is significantly affected by transformation processes - for example, due to increasing digitalization and technological change – Continental has established processes to support employees in external job transitions to other employers that offer better employment opportunities at the respective location (“von Arbeit in Arbeit”). These processes also include discussions with potential external employers.

The effectiveness of the management approach is monitored via dedicated feedback channels, HR processes and the reported metrics “Percentage of employees covered by employee representation”, “Employee turnover” and the OUR BASICS Live Sustainable Engagement index.

The processes are regulated through Continental’s internal HR rules and by-laws as well as agreements with works councils.

Key aspects regarding secure employment and social dialogue are regulated in particular by local laws, regulations and regulatory provisions.

By definition, social dialogue is an interest-based exchange with employees and their representatives. In order to gain further insights and consider the interests of its own workforce in the management approach, Continental uses its internal communication channels and has integrated feedback processes into various engagement formats and training courses. An additional formalized process is the OUR BASICS Live employee survey, which gathers the employee’s opinions and views on various topics related to Continental’s values. These are recorded, consolidated and analyzed in an established process. Furthermore, co-determination practices such as employee representation on the Supervisory Board and the involvement of the Group Works Council in relevant decision-making processes directly incorporate the interests of employees and enable the alignment of management strategies with their needs.

Many communication and dialogue formats (e.g. townhall meetings) already inherently constitute social dialogue. In addition, Continental’s management approach to secure employment and social dialogue is also communicated to employees via established internal communication channels, usually in the broader context of the associated transformations. This includes newsletters and dedicated channels managed by local works councils to inform the workforce. For information on training offers, a dedicated platform is available, as described in detail in the management approach to training and skill development. This is complemented by local communication on site to reach employees who do not have access to the IT infrastructure.

Employee privacy

To protect employee data, Continental has established a group-wide management approach that addresses compliance with data protection regulations, minimizing the risk of data breaches, protecting personal data and promoting awareness of data protection within the company. Continental thereby aims to ensure that personal data is processed worldwide in accordance with the following general data protection principles: lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy and time-limited storage.

The management approach covers Continental’s own employees as well as the personal data relating to potential or former employees, customers, suppliers, other business partners, interested parties and other affected parties.

Accountability for the implementation of employee data protection lies with the management of Continentals respective legal entities as well as with functions at all levels that process personal data. The appointed Chief Data Compliance Officer and team are responsible for defining and implementing the data protection management framework. The Chief Data Compliance Officer and regional data compliance coordinators also support the legal entities with the implementation. Overarching oversight is exercised by the Executive Board.

The processes for managing and monitoring the management approach include the following steps as part of a comprehensive data protection program: secure collection, processing, storage and disposal of data. To ensure protection of the data across these steps, Continental has implemented technical and organizational measures such as encryption of sensitive data or access controls to protect data from unauthorized access. Further Continental adheres to the principle of data minimization, meaning only collecting and processing the data necessary for specific purposes. A regular "Privacy Impact Assessment" is used to identify critical areas for action and initiate appropriate measures based on the results. Another key process within the data protection program is the regular training of employees on data protection.

The management approach is based on the national data protection regulations in the countries Continental operates in as well as the Binding Corporate Rules (BCR) which are approved by the responsible data protection authority and ensure a level of data protection around the world which corresponds with the EU General Data Protection Regulation (GDPR).

To monitor the effectiveness of the program, questions on data protection are part of both the regular audit questionnaire and the risk assessment questionnaire. The results of the evaluation are reported by the Chief Data Compliance Officer to the respective management as well as to the Executive Board.

Data protection is an integral part of the Code of Conduct for employees and is thus firmly anchored in the foundation of cooperation at Continental. In addition, a dedicated rule formalizes the processes in relation to employee privacy. This rule also includes clearly defined BCRs.

With this approach, Continental adheres to relevant data protection regulations such as the EU GDPR.

By definition, the most important stakeholders with regard to employee privacy are Continental's employees. Their interests are defined in the relevant data protection laws. Concerns or complaints can be submitted via the channels provided for this purpose. The Chief Data Compliance Officer and regional data compliance coordinators ensure that these concerns are addressed and integrated into the management approach.

Continental informs employees about data protection measures and processes through internal communication channels. The compliance department manages dedicated formats, including topic-specific information pages, an internal newsletter and regular training sessions to keep employees informed and engaged. Additionally, stakeholders involved in the implementation of the management approach receive specialized training and information through structured meeting formats and relevant rule documents.

Occupational safety and health

Continental has established a comprehensive management system for occupational safety and health in order to mitigate the impacts on employees in relation to health hazards such as the use of machinery, handling of substances of concern, ergonomics and mental hazards. The system is aimed at implementing preventive measures and eliminating hazards to ensure the well-being of all employees.

The management approach covers Continental's own employees directly and non-employee indirectly.

Accountability for the safety and health management approach lies with the management of the respective legal entities, as legally required in most countries. Furthermore, individual accountability plays a crucial role, as every supervisor and employee has a personal responsibility to uphold safety and health practices in their respective function. The framework for safety and health is defined by the safety and health organization, which also provides support with its implementation. Responsibility for the implementation of the safety and health matters is delegated to the location managers who are supported by dedicated ESH managers. Responsibility for certain specific matters of occupational safety and health is regulated individually. Oversight of the overall management approach is exercised by the Executive Board.

Occupational safety and health matters are managed through Continental's ISO 45001-compliant occupational safety and health management system, which comprises processes and programs for complying with safety and health requirements for all locations.

Key elements of this system include specific processes that define the organization, implementation, reporting and training for relevant safety and health topics such as occupational safety, health management, occupational medicine, ergonomics in the workplace and handling of substances of concern (see also the management approach Substances of concern and very high concern in the Pollution (ESRS E2) section).

The processes include establishing a clear structure for allocating resources and defining roles and responsibilities within the organization, risk and impact management for the identification and mitigation of potential hazards, consistent and transparent communication as well as training and skill development for employees in the individual topics. Preventive measures are implemented on a site-specific basis in line with the overall processes.

Reporting processes have been introduced to monitor the system and internal audits are carried out on a regular basis. To support this monitoring, Continental has implemented targeted programs such as the group sector internal safety & health audit program, to control the compliance with internal standards and identify opportunities for improvement. Furthermore, external ISO 45001 certifications validate the effectiveness of the management system at many locations. In addition, Continental monitors the effective of the management system with different metrics reported in the respective subsection of this section.

The safety and health management system also includes the dedicated management of incidents in the workplace.

The specific processes, responsibilities and monitoring measures are defined in the rules governing occupational safety and health. The location-specific safety and health management systems further specify the requirements in relation to local needs.

In the development and implementation of the management approach, Continental considers a variety of external standards and commitments to create alignment with international best practices and legal requirements. Besides ISO 45001 as the international standard for occupational safety and health management systems, these include frameworks and standards such as the Luxembourg Declaration on Workplace Health Promotion in the European Union as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and other relevant human rights frameworks as outlined in the management approach to labor standards.

Continental considers its employees' interests in alignment with both internal and external requirements. For this purpose, employees and their representatives are involved in the relevant processes to bring in their perspective, e.g. through ESH committees or consultations with the works councils.

To maintain transparency across all levels of the organization, the management approach is communicated via Continental's internal communication platforms. These channels are also actively used to share information with employees on topics such as ergonomics or mental health and to provide them with personal tools. Another important pillar is training in occupational safety and health, which also includes mandatory training courses for employees and supervisors. These are either conducted on site or can be accessed via Continental's learning platform as presented in the management approach to training and skill development. For additional local communication, the EHS managers identify and assess the local requirements and advise the location managers.

Processes for engaging with own workers and workers' representatives about impacts

Continental uses various channels to engage with employees in its own workforce. This engagement is part of the continuous development of the described management approaches. The general process for incorporating the perspectives of its own workforce into the strategy is described in the subsection on Consideration of stakeholder interests and views in the General disclosures (ESRS 2) section of this sustainability report.

Continental implemented comprehensive internal communication that includes networks for exchange, as well as newsletters, webcasts and townhall formats to keep employees informed. An important format for engaging with the workforce and gaining insights into their interests is the OUR BASICS Live employee survey where employees provide feedback on different topics related to Continental's values. These overarching channels are complimented by local communication.

Additionally, Continental is in constant dialogue with employee representatives. In Germany, employee representatives are part of Continental AG's Supervisory Board. Employees are also represented by local works councils or similar bodies in order to take their interests into account in strategic decisions and processes, wherever possible.

Engagement with employees therefore takes place both directly and indirectly via the employee representatives.

The network channels described are continuously open for engagement, while formats such as webcasts are held event-based. The OUR BASICS Live employee survey is conducted annually.

For engaging with marginalized groups in its own workforce, Continental has established dedicated networks. These include for instance specific networks for woman, as described in the key actions on the gender diversity target.

The channels are managed by Continentals HR and communication departments across the organization. the Executive Board member for Group Human Relations (director of labor relations) and Group Sustainability has overarching responsibility and is informed by the departments on employees matters.

An important tool for measuring the effectiveness of the engagement is the OUR BASICS Live employee survey. It records feedback on communication and employee involvement and forms the basis for the metric OUR BASICS Live Sustainable Engagement index. The communication channels also include direct feedback options. Furthermore, the metric on the percentage of employees covered by employee representation serves as an indicator for social dialogue coverage.

Processes to remediate negative impacts and channels for own workforce to raise concerns

Grievance channels for own workforce

Continental has established dedicated mechanisms to enable its own workforce to raise concerns.

These are part of a comprehensive integrity system that comprises three channels: an integrity portal, an integrity hotline and an integrity email, as described in more detail in the Business conduct and corporate governance (ESRS G1) section of this sustainability report. Employees as well as third parties outside the Continental Group can report violations of legal regulations, fundamental values and ethical standards via these channels. The platform and hotline are managed by a third-party service provider. The integrity email is managed directly by a Continental Case Management team.

The channels are explicitly open for all employee matters.

The integrity channels can be accessed via our website, internal communication channels or an international phone hotline. They are available worldwide in many different languages and accessible 24/7, creating broad availability by overcoming barriers such as time zones or languages.

To raise awareness of the integrity system, Continental has implemented various channels and formats, including intranet articles and formats, compliance newsletters and podcasts, mandatory training and local on-site communication. Continental does not explicitly assess the awareness and trust of the own workforce in these channels.

In order to protect users of the integrity system, information on all kinds of potential violation can be reported anonymously. Reporting and investigation information is treated confidentially in accordance with applicable laws throughout the entire case management. The whistleblowing process is in line with the German Whistleblower Protection Act and relevant international legislation.

The integrity system is governed by a dedicated rule that defines roles and responsibilities along the process steps of reporting, report administration and substantiation, investigation, and sanctioning – in an end-to-end process. The case management is also subject to internal audits. In addition, Continental's publicly available rules of procedure provide transparency on the handling of cases. Furthermore, Continental's employees take part in mandatory trainings on the topic of whistleblowing.

Remediation processes

When complaints are received via the whistleblowing channels or through audit findings, Continental follows a structured process to investigate and address the respective cases. Remedial actions must be implemented in due time and must be aligned with Continental's frameworks. Based on these frameworks, the respective legal entities must implement measures to resolve the violation effectively and prevent similar incidents in the future. The remediation measures related to submitted cases are tracked via a compliance case management software. Further information, including the tracking of effectiveness, can be found in Business conduct and corporate governance (ESRS G1) section, the management approach Business conduct, corporate governance and corporate culture, and in the subsection on Prevention and detection of corruption and bribery which describes the integrity system in detail.

Targets Related to Own Workforce

With regard to its own workforce, Continental has set itself a time-bound target related to the matters diversity and gender equality. Continental counts on the diversity of its employees. By this we mean internationality, a balanced gender ratio, and a range of experiences and age categories. Diversity is a key driver for different perspectives within the organization and thereby promotes the resilience in decision making. In addition, promoting diversity especially on leadership level is also considered to support the prevention of discrimination and harassment in the organization. We have set ourselves the public sustainability target of increasing the share of female executives and senior executives to up to 30 % by 2030.

An interim target on the trajectory for the target for 2030 is the share of 25 % female executives and senior executives by 2025.

The scope of the target comprises all management positions (senior executives and executives) worldwide.

This target addresses the overall leadership culture of the company and especially the impacts and risks related to equal treatment and combating discrimination, as described in the management approach Labor standards in this section. Indirectly it also addresses topics such as adequate wages and skill development.

The progress of the target achievement is measured with the metric on gender diversity – share of female and male senior executives and executives.

This metric is monitored continuously and reported at least once a year. The metric slightly increased in the reporting year to about 20.5 % compared to about 19.9 % in the previous year. It is thereby still within the expected range of the target achievement curve.

The target was defined based on different internal calculations, taking into account the related challenges as well as potential. The metric is calculated based on a defined methodology and has already been reported for several years.

Continental has set up a dedicated HR community in where HR managers can exchange best practices and insights between different teams across the organizational levels. It serves to tailor initiatives to specific needs and promote the continuous improvement of Continental's overall diversity and inclusion efforts.

Employee representatives were actively involved in the target-setting process.

The involvement of the affected interest groups, the identification of lessons learned and potential for improvement, e.g. via networks, is presented in the key actions for target achievement.

The target has not been changed during the reporting period.

Key Actions for Target Achievement

The key actions to implement the "Women in management positions" target include a set of initiatives and programs. Given the nature of the target, promoting diversity is also an important management task in addition to the key actions.

Continental has taken market analyses into account when defining appropriate actions. This includes, for example, a partnership with a professor of economics who assists with the analysis of HR data and survey results to identify key insights and areas for improvement. This collaboration provides valuable knowledge and a basis for identifying and refining actions.

The defined levers that have been implemented to achieve the target of women in management positions focus on improving the structural conditions to level the playing field for women. These include increasing flexibility through offers like childcare, mobile work or part time options, as well as the use of objective and diagnostics-assisted recruitment and training procedures. To create a culture of inclusion and belonging, Continental promotes awareness and education on these topics through leadership philosophy and development as well as guidelines on diversity and anti-discrimination.

Continental has also launched specific initiatives for women to promote their professional development. These include, e.g. events, offers for talent management and development as well as networks.

These measures are not only aimed at the achievement of the target but are also support the prevention of discrimination and achieving equal treatment of employees in general.

By mitigating the underlying negative impacts, it is assumed that the measures also mitigate to some extent potential risks to the company arising from possible incidents of discrimination in the area of gender diversity.

No material positive impacts related to anti-discrimination and diversity were identified.

Also, no material opportunities have been identified.

Key resources for the action plan include the expenditure for improving the structural conditions and specific initiatives for women.

The actions related to the target for gender diversity support the management approach to Labor standards by striving to reduce potential negative impacts on the own workforce, also in the event of conflicting economic and social interests.

The specific initiatives for women focus on the entire female workforce, also beyond management positions. The actions relating to the structural conditions are much broader and ultimately address the entire workforce.

The actions include short-, medium- and long-term measures.

The key actions for target achievement are not directly related to a specific remedial process. Where relevant, remedial actions are based on the general processes, as described for the integrity system.

The effectiveness of the actions related to the impacts and risks is measured indirectly through the target achievement progress and the pool of potential candidates.

Capital expenditures and operating expenditures for key actions to achieve the target related to the own workforce

OpEx for key actions	2024
OpEx for key actions to achieve the target related to own workforce, in € millions	13

Definitions, assumptions, and calculation methods:
- *The data for operating expenditure (OpEx) related to the improvement of structural conditions and specific initiatives for women is collected by the legal entities of the Continental Group.*

CapEx for key actions	2024
CapEx for key actions to achieve the target related to own workforce, in € millions	0

Definitions, assumptions, and calculation methods:
- *The data for capital expenditure (CapEx) related to the improvement of structural conditions and specific initiatives for women is collected by the legal entities of the Continental Group.*

Planned OpEx for key actions	Next 5 years
Planned OpEx for key actions to achieve the target related to own workforce, in € millions	67

Definitions, assumptions, and calculation methods:
- *The time horizon applied is in line with the approved long-term planning.*
- *The data for operating expenditure (OpEx) related to the improvement of structural conditions and specific initiatives for women is collected at Group level based on the operating expenditure incurred in the reporting year in accordance with the table above.*

Planned CapEx for key actions	Next 5 years
Planned CapEx for key actions to achieve the target related to own workforce, in € millions	2

Definitions, assumptions, and calculation methods:
- *The time horizon applied is in line with the approved long-term planning.*
- *The data on capital expenditure (CapEx) related to the improvement of structural conditions and specific initiatives for women is collected at Group level based on the operating expenditure incurred in the reporting year in accordance with the table above.*

Metrics Related to Own Workforce

Characteristics of the company's employees

Own employees (headcount)

In the economic report within the management report, the number of employees is disclosed in the Earnings position section in the Employees subsection. It should be noted that the two metrics differ in terms of their definition.

Own employees by gender (as at December 31)	Headcount
Male	134,313
Female	49,029
Other	16
Total number of own employees	**183,358**

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This information thus represents Continental's knowledge, considering local legislation and co-determination. The gender "Other" includes employees who identify as non-binary gender or have not provided any information.*
- *The data is collected by the legal entities of the Continental Group.*

Average number of own employees	Headcount
Average number of own employees	188,802

- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *The average is the total headcount at the end of each month divided by twelve.*
- *The data is collected by the legal entities of the Continental Group.*

Countries in which Continental employs >10 % of the total number of own employees

	Female	Male	Other	**Total**
Germany	8,180	30,730	0	**38,910**
Mexico	8,193	11,711	0	**19,904**
Romania	6,413	12,074	0	**18,487**

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The data is collected by the legal entities of the Continental Group.*

Own employees by type of contract

	Female	Male	Other	**Total**
Employees	49,029	134,313	16	**183,358**
Employees with permanent employment	44,780	123,965	16	**168,761**
Employees with temporary employment	4,249	10,348	0	**14,597**
Employees without guaranteed working hours	0	0	0	**0**

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This information thus represents Continental's knowledge, considering local legislation and co-determination. The gender "Other" includes employees who identify as non-binary gender or have not provided any information.*
- *The data is collected by the legal entities of the Continental Group.*

Employee turnover

Employee turnover	2024
Number of employees who left the company	24,978

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *Termination of the employment relationship is defined as voluntary resignation by the employee, termination of the contract by Continental, retirement, fatal accident at work, termination agreement between Continental and the employee, or the end of a temporary contract.*
- *The data is collected by the legal entities of the Continental Group. For retirement and fatal accidents at work, the metric contains a small amount of extrapolated data for parts of Continental Group that did not report data directly.*

Employee turnover	2024
Employee turnover, in %	13

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *Employee turnover is defined as the number of employees who left the company in relation to the average number of employees.*
- *The data is collected by the legal entities of the Continental Group.*

OUR BASICS Live Sustainable Engagement index	2024
OUR BASICS Live Sustainable Engagement index, in %	79

Definitions, assumptions, and calculation methods:
- *OUR BASICS Live Sustainable Engagement index is defined as the agreement of own employees to the questions relating to the topic of sustainable engagement in the OUR BASICS Live employee survey.*
- *The survey is based on a representative random sample across all Continental locations worldwide.*
- *The metric is entity-specific.*

Collective bargaining coverage and social dialogue

Coverage rate	Workplace representation (for EEA countries with a significant number of employees)
0-19 %	
20-39 %	
40-59 %	
60-79 %	
80-100 %	Germany and Romania

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *Countries in the European Economic Area (EEA) with a significant number of employees are countries in which Continental employs >10 % of the total number of its own employees.*
- *The data is collected by the legal entities of the Continental Group.*

Continental has signed an agreement with the European Works Council (EWC) supporting employee representation and social dialogue at the European level.

Diversity

Gender diversity – senior executives and executives (as at December 31)	2024 Number of employees (headcount)
Female	602
Male	2,330

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This information thus represents Continental's, considering local legislation and co-determination. This metric considers the female gender and the male gender.*
- *Senior executives and executives are defined by Continental's grading system.*
- *The data is collected by the legal entities of the Continental Group.*

Gender diversity – share of female and male senior executives and executives (as at December 31), in %	2024
Female	20.5
Male	79.5

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This metric considers the female gender and the male gender.*
- *Senior executives and executives are defined by Continental's grading system.*
- *The data is collected by the legal entities of the Continental Group. This metric is calculated by dividing the number of female or male senior executives and executives by the total number of senior executives and executives at the end of the reporting year.*

Gender diversity (excluding USA)	2024
Gender diversity – share of female senior executives and executives, excluding the USA (as at December 31), in %	20.6

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This metric considers the female gender and the male gender.*
- *Senior executives and executives are defined by Continental's grading system.*
- *Relevant legal entities are included in the metrics. Legal entities in the USA are excluded.*
- *The data is collected by the legal entities of the Continental Group. This metric is calculated by dividing the number of female senior executives and executives by the total number of senior executives and executives at the end of the reporting year.*
- *This metric is calculated in addition to the overarching metric excluding the USA, to be usable in remuneration systems.*
- *The metric is entity-specific.*

Own employees by age group (as at December 31)	2024
under 30 years old	33,983
30-50 years old	112,334
over 50 years old	37,042
Total number of own employees	**183,358**

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The data is collected by the legal entities of the Continental Group.*

Own employees by age group (as at December 31), in %	2024
under 30 years old	19
30-50 years old	61
over 50 years old	20
Total number of employees	**100**

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The data is collected by the legal entities of the Continental Group.*

Adequate wages

Continental commits to equal treatment. These corporate values drive our compensation strategy that forms the basis for the remuneration for all employees – executives and non-executives alike.

Adequate wage	2024
Own employees paid below an adequate wage, in %	0

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *Wage data is defined as base salary.*
- *An adequate wage is defined as a wage that satisfies the needs of the employee and their family, considering the given national economic and social conditions.*
- *The data is collected by the legal entities of the Continental Group. Adequate wages are in accordance with the applicable national laws. If not available, national or subnational minimum wages as established by legislation or collective bargaining are considered. If not available either, benchmarks meeting relevance criteria are considered.*
- *For parts of the Group that do not report data directly, the assessment of the risk of inadequate wages is based on the RVCDDS risk assessment of the RVC commitment to "fair payment."*

Occupational safety and health

As part of the management approach for occupational safety and health, Continental carefully monitors the effectiveness by means of dedicated metrics.

Coverage of management systems for occupational safety and health	2024
Percentage of people in own workforce covered by a safety and health management system (as at December 31), in %	100

Definitions, assumptions, and calculation methods:
- *Included are employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *Rules are mandatory for all of Continental's own employees.*

Fatalities as a result of work-related injuries and work-related ill health	2024
Continental's own employees	0

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year.*
- *The data is collected by the individual locations. Included are fatalities as a result of work-related injuries and work-related ill health.*

Fatalities as a result of work-related injuries and work-related ill heath	2024
Other workers on Continental sites	1

Definitions, assumptions, and calculation methods:
- *Other workers on Continental sites are defined as persons who work at Continental's locations and who do not belong to Continental's own workforce.*
- *The data is collected by the individual locations. Included are fatalities of other workers on Continental's sites as a result of work-related injuries or work-related ill health.*

Reportable work-related accidents	2024
Number of reportable work-related accidents	1,974

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *The definition of work-related accidents is based on ESRS. Work-related accidents are accidents that occur during working hours, are work related and result in an injury leading to death, sick day(s), limited capacity to work or transfer to another job, medical treatment beyond first aid, loss of consciousness or significant diagnosed injuries. Commuting accidents are considered if Continental is responsible for the transportation.*
- *The locations determine the reportable work-related accidents according to the above definition.*

Rate of all reportable work-related accidents	2024
Rate of all reportable work-related accidents (number of work-related accidents per 1 million working hours)	5.8

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *The definition of work-related accidents is based on ESRS. Work-related accidents (workplace accidents) are accidents that occur during working hours, are work-related and result in an injury leading to death, sick day(s), limited capacity to work or transfer to another job, medical treatment beyond first aid, loss of consciousness or significant diagnosed injuries. Commuting accidents are considered if Continental is responsible for the transportation.*
- *Working hours are defined as paid working time.*
- *The data is collected by the individual locations. The number of reportable work-related accidents is multiplied by one million and then divided by the total number of working hours.*

Accident rate	2024
Accident rate of work-related accidents with lost workdays (number of accidents per 1 million working hours)	2.1

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices, and non-employees are not included.*
- *Work-related accidents are accidents that occur during working hours and are work-related. The accident must result in one or more days lost after the day of the accident to be counted.*
- *Working hours are defined as paid working time.*
- *The data is collected by the individual locations. The number of work-related accidents is multiplied by one million and then divided by the total number of working hours.*
- *The metric is entity-specific.*

Sickness rate	2024
Sickness rate, in %	3.3

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract in the reporting year. Interns, apprentices and non-employees are not included.*
- *Sickness includes paid and unpaid sick days.*
- *The data is collected by the individual locations. This metric is calculated by dividing the total paid and unpaid sick days by the total number of working hours.*
- *The metric is entity-specific.*

Coverage of occupational safety and health management systems	2024
Occupational safety and health management system certification (ISO 45001 or similar) Employee coverage (as at December 31), in %	67

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as well as non-employee as at December 31, 2024. Interns and apprentices are not considered.*
- *Included are valid certificates, concluded recertification processes and ongoing recertification processes, if the achievement of recertification was considered highly likely.*
- *The data is collected by the individual locations. A small number of employees who could not be assigned are considered not to be covered. This metric is calculated from the ratio of own workforce working at a certified location to the total number of Continental's own employees.*
- *The metric is entity-specific.*

Remuneration metrics

Gender pay gap	2024
Gender pay gap, in %	22.9

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices, and non-employees are not included.*
- *The gender distribution is based on the information provided by the employees that is documented in Continental's systems. This metric considers the female gender and the male gender.*
- *Salary or remuneration is defined as base salary, cash allowances, benefits in-kind (e.g. non-cash benefits, company cars) and changes in pension values.*
- *The change in pension values outside Germany corresponds to the average values per employee for the respective legal entity.*
- *The data is collected by the legal entities of the Continental Group. For parts of the Group that do not report data directly, an extrapolation of the primary data is used.*

Remuneration ratio to the CEO	2024
Annual remuneration ratio to the CEO	139

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices and non-employee are not included.*
- *Pay data or remuneration is defined as base salary, cash allowances, benefits in kind, company cars and change in pension values.*
- *The change in pension values corresponds to the average values per employee for the respective legal entity.*
- *The data is collected by the legal entities of the Continental Group. For parts of the Group that do not report data directly, a calculation method is applied based on the country average calculated using primary data. If the data is not available, valid external statistics are used.*
- *The metric is calculated as the ratio of the CEO's total annual remuneration to the median total annual remuneration of the company's own employees excluding the CEO's remuneration.*

Incidents, complaints and severe human rights impacts

Cases, incidents and false reports of discrimination	**2024**
Total number of cases, incidents and false report of discrimination, including harassment	294

Definitions, assumptions, and calculation methods:
- *Discrimination including harassment are violations of the RVC commitment "Equal treatment."*
- *Incidents are confirmed cases.*
- *Entity-based reporting is used to count cases, incidents and false reports of discrimination (including harassment) that involve a person belonging to Continental's own workforce and that were reported in Continental systems during the reporting year.*

Complaints related to social or human rights matters	**2024**
Total number of complaints related to social or human rights matters other than discrimination	139

Definitions, assumptions, and calculation methods:
- *Considered are incidents relating to social or human rights matters (excluding discrimination) that involve a person belonging to Continental's own workforce and that were reported in Continental systems during the reporting year.*
- *Duplicates are included in the result.*
- *The data is collected through the various complaint mechanisms of the Continental Group.*

Fines, penalties and compensation in connection with human rights violations	**2024**
Total amount of fines, penalties and compensation in connection with human rights violations, in € millions	0

Definitions, assumptions, and calculation methods:
- *Fines, penalties, and compensation paid out during the reporting year are included.*
- *The data is collected through the various complaint mechanisms of the Continental Group. Considered are incidents relating to social or human rights matters that were reported in Continental systems during the reporting year and that involve a person belonging to Continental's own workforce.*

Related expenses within the meaning of the ESRS are reported in the consolidated financial statements under Other expenses in the consolidated statement of income.

Severe human rights incidents related to Continental's own workforce	**2024**
Total number of known incidents of severe human rights violations related to own workforce	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of case management in the RVCDDS.*
- *The incidents considered are severe incidents relating to human rights that were reported in Continental systems during the reporting year and that involve a person belonging to Continental's own workforce.*
- *The data is collected through the various complaint mechanisms of the Continental Group.*

Fines, penalties and compensation for severe human rights violations	**2024**
Total amount of fines, penalties and compensation for severe human rights violations related to the own workforce, in € millions	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of case management in the RVCDDS. Fines, penalties, and compensation paid out during the reporting year are included.*
- *Considered are severe incidents related to human rights that were reported in Continental systems during the reporting year and that involve a person belonging to Continental's own workforce.*
- *These data is collected by the legal entities of the Continental Group.*

Related expenses within the meaning of the ESRS are reported in the consolidated financial statements under Other expenses in the consolidated statement of income.

Workers in the Value Chain (ESRS S2)

Material Impacts, Risks and Opportunities Related to Workers in the Value Chain

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative impacts and risks have been identified in relation to workers in the value chain. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

- Continental buys numerous products and services from a global supplier base. Individual incidents of negative impacts in relation to occupational safety and health, fair pay and working time by direct suppliers on their workers were recorded for 2024. Beyond the confirmed incidents, Continental's direct suppliers operate in industries and certain markets where severe negative impacts on workers related to fair pay, forced labor (including debt bondage), freedom of association, working conditions (including working time) and obligations in the area of occupational safety and health occur unless adequately prevented or mitigated. (see ESRS 2, IRO table, impact 58)

- Continental buys numerous products and services from a global supplier base. Individual incidents of negative impacts on workers for indirect suppliers in connection with occupational safety and health and forced labor were recorded for 2024. In addition to the confirmed incidents, the deeper supply chain, which goes beyond the direct suppliers, also operates in industries and certain markets where severe negative impacts on workers in relation to child labor, fair pay, equal treatment/anti-discrimination, forced labor (including debt bondage), freedom of association, working conditions (including work time), obligations in the area of occupational safety and health, social dialogue, adequate housing, access to clean water and sanitary facilities as well as data privacy can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 59)

- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers operate in industries and certain markets where potential incidents related to forced labor, child labor, housing, occupational safety and health, data privacy or other human rights can occur. If, in the worst-case scenario, Continental's due diligence processes fail and related severe violations occur, Continental could face sanctions with substantial penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 60)

- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct and indirect suppliers also operate in industries and certain markets where increasing regulatory requirements must be complied with in relation to due diligence obligations regarding forced labor, child labor, adequate housing, occupational safety and health, data privacy or other human rights within the supply chain. Corresponding regulatory requirements and the associated market changes can lead to significantly higher costs for materials, components or services especially in the medium term, if not managed preventively. (see ESRS 2, IRO table, risk 61)

Further Information on the IRO Assessment in Relation to Workers in the Value Chain

In the IRO assessment, Continental identified both actual and potential negative impacts on workers in the value chain in the areas of working conditions, equal treatment and other human rights, as described at the beginning of this section. These negative impacts are associated with Continental's strategy and business model and relate in particular to regions, certain markets, industries and business activities in the supplier base that are critically or significantly exposed to such impacts. The identified actual and potential impacts on workers in the value chain are important for adapting the strategy and business model. The development of measures and strategic decisions based on the identified impacts are described as part of the management approach.

As indicated by the respective descriptions, all identified risks result directly from identified actual and potential impacts. They are therefore also based on the breadth and diversity of countries, markets, industries and business activities in Continental's value chain.

Therefore, the risks are inherently linked to Continental's strategy and business model.

The assessment of material impacts takes into account all workers in the value chain but is explicitly focused on workers in Continental's supply chain. Connections to the company's own operations, product portfolio and business relationships are taken into account where relevant.

As Continental sources goods, materials and services from numerous industries along the value chain, this essentially has an actual or potential impact on all types of workers. Workers who work on Continental's premises but are not counted as part of the company's own workforce, as well as workers who work for direct suppliers or indirect suppliers in the deeper value chain, are considered to be particularly affected. In both cases, this includes vulnerable groups such as migrant workers. The impacts on workers in the downstream value chain are rather considered as indirect. Workers in Continental's joint ventures are especially impacted if the joint venture is also a supplier.

Continental's assessment of the impacts, risks and opportunities did not focus on workers in the value chain with specific characteristics or in specific activities and contexts, and accordingly did not provide an understanding of a greater exposure to harm.

These specifics include the fact that Continental's global value chain includes many industries, countries and markets and thus also regions in which there is a significant potential for negative impacts with regard to child labor, forced labor or compulsory labor, in particular in Pakistan and the Democratic Republic of the Congo, or industries such as the quarrying of stone, sand and clay or growing of perennial crops.

The assessment of the material negative impacts regarding workers in the value chain was integrated in the general impact, risk and opportunity assessment following the defined methodology. The methodology takes into consideration two perspectives: All negative impacts are to be considered widespread or systemic as they relate to countries, certain markets, industries and business activities or other business relationships in Continental's value chain. In addition, the methodology takes into account actual event-based negative impacts wherever the impact description contains a reference to concrete actual incidents.

Material risks arising from the impacts on workers in the value chain are not attributable to specific groups of people but are dependent on industries and geographical aspects.

Management Approach to Workers in the Value Chain

This subsection describes the management approach that Continental established in order to address the material impacts on the workers in the value chain as well as the associated material risks.

With this management approach, Continental is pursuing the ambition of creating a 100 % responsible value chain by 2050 at the latest. The "Responsible Value Chain Due Diligence System" (RVCDDS) implemented for this purpose aims to protect both human and environmental rights along the value chain. It formulates the "Responsible Value Chain Commitments" (RVC commitments) in the areas of labor standards, occupational safety and health, environment, security practices and land rights, which apply to Continental's direct suppliers.

With the RVC commitments, the RVCDDS explicitly addresses respect for human rights, particularly with the RVC commitments in the area of labor standards.

The safety of workers, precarious working conditions, trafficking in human beings, forced labor (including debt bondage) and child labor are also addressed by Continental's RVC commitments and Business Partner Code of Conduct.

The management approach encompasses all purchasing activities of Continental and its subsidiaries worldwide in which the Continental Group exercises a controlling influence. The focus is on the direct suppliers, including service providers such as security services or waste management services. Indirectly and on an ad hoc basis, the deeper supply chain is also taken into account. Specific elements of the RVCDDS, in particular the integrity system, are aimed at workers along the entire value chain. This is described in greater detail in the subsection Processes to remediate negative impacts and channels for workers in the value chain to raise concerns of this section. Further specifics of the management approach apply to the natural rubber supply chain.

Overall accountability for the RVCDDS, including the RVC commitments, lies with the Executive Board. The latter has appointed a responsible value chain officer who manages the system and delegates responsibility for the supply chain-related framework to the purchasing functions. The tasks and processes defined in the system in relation to the supply chain are implemented by the respective purchasing departments.

The system comprises many processes, such as strategy development and implementation, the management of regulations, impact and risk management, case management (including the integrity system) and training. To monitor the effectiveness of the system, a multi-stage process is implemented that includes three lines. With regard to the supply chain, the first line is made up of the individual purchasing functions that implement the operational tasks in accordance with the RVCDDS. The second line, represented by non-operational purchasing functions and roles, oversees the system, roles and responsibilities as well as their effectiveness. The third line is Continental's internal audit function, which performs an independent assessment of the adequacy and effectiveness of the RVCDDS.

Specific preventive and remedial measures in relation to the supply chain are the alignment of procurement strategies and practices, the definition of contractual agreements, the introduction of control mechanisms and the training of purchasers and suppliers. Continental also employs a supplier selection process based on criteria such as quality standards, financial stability, production capacity, sustainability criteria and compliance with legal and ethical standards. Selected suppliers are continuously assessed using self-assessment questionnaires, which Continental collects via the generally accepted sustainability platforms EcoVadis and NQC. Selective local audits or other audit activities are also carried out, such as in relation to the implementation of the ESH management systems.

As part of an annual review process with the Executive Board, the overall RVCDDS, including the specific processes for labor standards, is evaluated in terms of effectiveness, adequacy and potential for improvement. The RVCDDS is additionally integrated into Continental's overarching internal control system, the risk management system and compliance management system.

Besides the definition of preventive measures in relation to direct suppliers, the RVCDDS also defines the framework for remedial measures vis-à-vis direct suppliers and, event-based also vis-à-vis indirect suppliers. Remedial measures are documented and operationalized by means of the suppliers' corrective action plans and can include additional findings from suppliers' sustainability audits.

The processes described are formalized by a dedicated rule for the RVCDDS as well as subsequent purchasing-specific rules that define the application of the processes for supplier relationships. Direct suppliers are guided by the binding Business Partner Code of Conduct (BPCoC), which refers to the RVC commitments. For suppliers of natural rubber, an additional rule on the purchasing of sustainable natural rubber applies.

The management approach for workers in the value chain is based on international standards and obligations. These include the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the United Nations (UN) Guiding Principles on Business and Human Rights and the International Bill of Human Rights. Monitoring of the adherence to these standards is anchored in the RVCDDS review process, including a revision of its rules and processes, if required.

The established international standards on human rights including the UN Guiding Principles on Business and Human Rights are key references for internal rules.

The described established processes for the fulfillment of due diligence support the detection of actual negative impacts on human rights and violations of international norms and standards and enable Continental to act upon these with its business partners. Identified and confirmed cases are named in the respective impact descriptions.

The interests of stakeholders are an important perspective for shaping the RVCDDS. To gain insights into the interests of workers in the value chain, Continental maintains partnerships and is involved in associations such as econsense, the Responsible Business Alliance (RBA), Rubberway, "Deutsche Gesellschaft für Internationale Zusammenarbeit" (GIZ) (German Agency for International Cooperation) and the Global Platform for Sustainable Natural Rubber (GPSNR). The integration of these interests into the system is carried out as part of the annual review process.

Continental communicates its management approach through the externally published RVC commitments and the Public Policy Statement. Training initiatives for suppliers are also carried out to further promote shared responsibility along the entire value chain. In addition, direct suppliers are requested to sign the Business Partner Code of Conduct. The communication is thus aimed at affected stakeholders as well as stakeholders involved in the implementation.

Processes for engaging with value chain workers about impacts

The engagement with workers in the value chain is part of the continuous development of the management approach described.

A key element of this is the participation in dialogue formats of associations and initiatives with external stakeholders, such as the sector dialogue for the automotive industry and the dialogue with labor unions. Participation in and maintenance of these dialogue formats take place on a continuous basis. If required, topic- or event-specific discussions take place. The knowledge thus gained about the interests of workers in the value chain supports the development of a shared understanding of industry-related risks and impacts on stakeholders and the resulting due diligence obligations.

The processes and activities regarding the detection and mitigation of negative impacts are managed through the RVCDDS and also include cases that are reported by workers in the value chain via Continental's integrity system. The integrity system is described in more detail in the subsection Processes to remediate negative impacts and channels for workers in the value chain to raise concerns in this section. This is a form of direct engagement with affected stakeholders, in addition to the participation in initiatives and associations.

Governance and responsibility for the processes are regulated within the RVCDDS as described in the management approach. The annual review process anchored in the RVCDDS includes a consolidation and analysis of relevant information. As an integral part of this, the actual negative impacts identified via the bottom-up impact and risk analysis, as well as case management, are reviewed, and the effectiveness of the established processes is monitored.

The engagement with particularly vulnerable workers in the value chain is addressed mostly indirectly, e.g. by the RVC commitment on equal treatment.

Processes to remediate negative impacts and channels for workers in the value chain to raise concerns

Grievance channels for value chain workers

Continental has established dedicated mechanisms to enable workers in the value chain to raise concerns.

These are part of a comprehensive integrity system that comprises three channels: an integrity portal, an integrity hotline and an integrity e-mail address, as described in more detail in the Business conduct and corporate governance (ESRS G1) section. Employees as well as third parties outside the Continental Group can report violations of legal regulations, fundamental values and ethical standards via these channels. The platform and hotline are managed by an external service provider, while the integrity e-mail is managed directly by a Continental case management team.

The integrity channels can be accessed through our website or via an international phone hotline and are explicitly also open for workers in the value chain. They are available worldwide in many different languages and accessible 24/7, creating broad availability by overcoming barriers such as time zones or languages.

The integrity system is governed by a dedicated rule that defines roles and responsibilities along the process steps of reporting, report administration and substantiation, investigation, and sanctioning – in an end-to-end process. The case management is also subject to internal audits. In addition, Continental's publicly available rules of procedure provide transparency on the handling of cases. Further information on tracking reported cases and ensuring process effectiveness can be found in the Business conduct and corporate governance (ESRS G1) section in this sustainability report.

To raise awareness of the integrity system, the Business Partner Code of Conduct contains a section on the complaint mechanisms. In addition, the channels are mentioned in supplier training on the topic of responsible value chains. Continental does not explicitly assess the awareness and trust of workers in the value chain in these channels.

In order to protect users of the integrity system, information on all kinds of potential violation can be reported anonymously. Reporting and investigation information is treated confidentially in accordance with applicable laws throughout the entire management of the case. The whistleblowing process is in line with the German Whistleblower Protection Act and relevant international legislation.

Remediation processes

When complaints are received via the whistleblowing channels or through audit findings, Continental follows a structured process to investigate and address the respective cases. If the violation occurs within the value chain, Continental collaborates closely with the respective business partner to resolve the violation effectively and prevent similar incidents from occurring in the future. For this purpose, e.g. corrective action plans are created together with the business partner. The effectiveness of the remedy is assessed through audits, internal investigations, and the implementation of corrective action plans.

Targets Related to Workers in the Value Chain

Continental has defined a systematic process for setting targets. With regard to workers in the value chain, it was decided to pursue the management approach described and not to set a time-bound sustainability target. The monitoring of effectiveness and the tracking of progress is described in the related management approaches and reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to workers in the value chain beyond the described management approach.

Metrics Related to Workers in the Value Chain

Supplier self-assessment questionnaires	**2024**
Number of available valid supplier self-assessment questionnaires (as at December 31)	1,534

Definitions, assumptions, and calculation methods:
- *Valid supplier self-assessment questionnaires via the EcoVadis and NQC sustainability platforms are considered. For EcoVadis, self-assessments published within the reporting years 2023 and 2024 are included. For NQC, the self-assessments that are valid at December 31, 2024 are count.*
- *The metric is entity-specific.*

Severe human rights violations related to workers in the value chain	**2024**
Total number of known incidents of severe human rights violations related to workers in the value chain of Continental	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of case management in the RVCDDS.*
- *The data is collected through the various complaint mechanisms of the Continental Group. The incidents considered are severe incidents relating to human rights that were reported in Continental systems during the reporting year and that involve a person who belongs to Continental's value chain.*
- *This information represents Continental's current knowledge and includes incidents of which Continental has substantiated knowledge regarding the specific incidents.*
- *The metric is entity-specific.*

Fines, penalties and compensation for severe human rights violations	**2024**
Total amount of fines, penalties and compensation in relation to severe human rights violations in Continental's value chain, in € millions	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of case management in the RVCDDS.*
- *Fines, penalties and compensation paid out during the reporting year are included.*
- *The data is collected by the legal entities of the Continental Group. The incidents considered are severe incidents relating to human rights that were reported in Continental systems during the reporting year and that involve a person belonging to Continental's value chain.*
- *Related expenses within the meaning of the ESRS are reported in the consolidated financial statements under Other expenses in the consolidated statement of income.*
- *The metric is entity-specific.*

Affected Communities (ESRS S3)

Material Impacts, Risks and Opportunities Related to Affected Communities

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential negative impacts and risks were identified in relation to affected communities. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

- Continental operates in countries, certain markets and business activities where significant negative impacts on affected communities in relation to harmful environmental impacts, security practices and land rights as well as other human rights topics, can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 62)
- Continental buys numerous products and services from a global supplier base. Therefore, Continental's direct suppliers also operate in industries and certain markets where significant negative impacts on affected communities in relation to harmful environmental impacts, security practices and land rights as well as other human rights topics, can occur if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 63)
- Continental buys numerous products and services from a global supplier base. The deeper supply chain, beyond the direct suppliers also operates in industries and certain markets where severe negative impacts on affected communities in relation to harmful environmental impacts, security practices and land rights as well as other human rights topics, are to be expected if they are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 64)
- Continental and especially its supply chain operate in certain markets and industries where potential incidents relating to the violation of the rights of affected communities (e.g. land rights) can occur. If, in the worst-case scenario, Continental's due diligence processes were to fail and related severe violations were to occur, Continental could face sanctions with significant penalties and fines or even business on hold for the respective business operation, especially in the medium term. (see ESRS 2, IRO table, risk 65)

Further Information on the IRO Assessment in Relation to Affected Communities

In the IRO assessment, Continental identified potential negative impacts on affected communities related to harmful environmental impacts, security practices, land rights and other human rights topics in own operations or the value chain. These are described at the beginning of the section. These negative impacts are linked to Continental's strategy and business model and relate in particular to countries, certain markets and industries of the supplier base and Continental's own operations, which are exposed to such impacts to a critical or significant extent.

The development of measures and strategic decisions based on the impacts identified is described in this sustainability report as part of the management approaches Environmental protection in own operations, Environmental protection in the supply chain, and Substances of concern and very high concern in the Pollution (ESRS E2) section as well as Labor standards in the Own workforce (ESRS S1) section and in the Workers in the value chain (ESRS S2) section.

The identified risk is not related to a dependency on affected communities, but rather to geographical and industry-related aspects. As indicated by the description, it results directly from the identified potential impacts and is also based on the breadth and diversity of countries, markets and industries in Continental's own operations and supplier base.

The risk is therefore inherently linked to Continental's strategy and business model.

As Continental sources goods, materials and services from numerous industries along the value chain, this essentially has potential impacts on all types of affected communities. Communities living or working near Continental sites or near to companies in Continental's supply chain are considered to be particularly affected. In both cases, this also includes indigenous people. The impacts on communities in the downstream value chain are rather considered as indirect.

Continental's assessment of the impacts, risks and opportunities did not focus on affected communities with specific characteristics or in specific activities and contexts, and accordingly did not provide an understanding of specific exposure to harm.

The assessment of the material negative impacts regarding own workforce was integrated in the general impact, risk and opportunity assessment following the defined methodology.

All negative impacts are considered widespread or systemic as they relate to countries, certain markets and industries in Continental's own operations or supplier base. In addition, the methodology takes into account event-based actual negative impacts wherever the impact description contains a reference to concrete actual incidents.

The assessment of potential material impacts on affected communities in general considers the entire value chain but is explicitly focused on the supply chain. Connections to the company's own operations, product portfolio and business relationships are taken into account where relevant.

Management Approach to Affected Communities

Continental's approach to managing material impacts and risks that may also affect communities is covered by the following management approaches, which are described elsewhere in this sustainability report:

- Environmental protection in own operations with regard to potential impacts from pollution caused by the own operations (see the Pollution (ESRS E2) section).
- Environmental protection in the supply chain with regard to potential impacts due to pollution caused by suppliers (see the Pollution (ESRS E2) section).
- Substances of concern and very high concern with regard to potential impacts due to their use in own operations, the upstream value chain and the downstream value chain (see the Pollution (ESRS E2) section).
- Labor standards with a more detailed description of the Responsible Value Chain Due Diligence System (RVCDDS) and the processes for own operations (see the Own workforce (ESRS S1) section). These also include the Responsible Value Chain Commitments (RVC commitments) in relation to land rights, including the rights of indigenous people and responsible security practices.
- Workers in the value chain in which the RVCDDS and its processes for the supply chain are described in detail (see the Workers in the value chain (ESRS S2) section).

The focus of the management approaches and the RVCDDS in particular is on own operations and direct suppliers, and therefore on affected communities in their vicinity. Indirectly and on an ad hoc basis, the deeper supply chain is also taken into account. Specific elements of the RVCDDS, in particular the integrity system and the associated case management, are aimed directly at all affected communities along the value chain.

As part of the RVCDDS, in addition to the RVC commitments described in the management approaches mentioned, Continental commits to respect legitimate land rights throughout the entire life cycle of a property or other use of land, forests and water, especially where these secure the livelihoods of people.

With regard to responsible security practices, Continental commits to respecting human rights when contracting or using its own, private or public security forces and to ensure sufficient instructions and establish appropriate control mechanisms.

The instruments of the RVCDDS regarding preventive and remedial measures, communication and alignment with internationally recognized standards and the system review, as described in the management approaches, include the company's own workforce, workers in the value chain as well as affected communities.

Processes for engaging with affected communities about impacts

As described for the following management approaches, Continental engages with affected communities at local level and has also established generally accessible channels for complaints.

The interests of affected stakeholders are an important perspective for the further development of the management approaches Environmental protection in own operations (see the Pollution (ESRS E2) section), Environmental protection in the supply chain (see the Pollution (ESRS E2) section), Labor standards (see the Own Workforce (ESRS S1) section) and Workforce in the value chain (see the Workforce in the Value Chain (ESRS S2) section). This may also include direct exchange with affected communities or their representatives, e.g. through partnerships and dialogue with associations. This stakeholder engagement, also in terms of timing, type, frequency, responsibility and monitoring of effectiveness, is described in the management approaches listed above.

The outlined processes of engagement include all types of affected communities, including indigenous people. Beyond the general processes, there are no specific processes for engagement with indigenous people or for the provision of remedial measures.

Processes to remediate negative impacts and channels for affected communities to raise concerns

Continental has set up general channels for the raising of complaints, which can also be used by affected communities.

These channels are part of a comprehensive integrity system that is explained in detail in the Business conduct and corporate governance (ESRS G1) section of this sustainability report. The channels described are also explicitly open to members of affected communities or their representatives. The defined roles and responsibilities along the process steps of reporting, report administration and substantiation, investigation, and sanctioning apply equally for all cases submitted by them. There are no specific mechanisms for applying remedial measures for affected communities.

The channels are communicated via the external communication platforms and mentioned in supplier training sessions on the topic of responsible value chains. Further, Continentals Business Partner Code of Conduct comprises a chapter on complaint mechanisms, which helps to raise awareness about Continentals integrity system. Continental does not explicitly assess the awareness and trust of affected communities in these channels.

In order to protect users of the integrity system, information on all kinds of potential violation can be reported anonymously. Reporting and investigation information is treated confidentially in accordance with applicable laws throughout the entire management of the case. The whistleblowing process is in line with the German Whistleblower Protection Act and relevant international legislation.

Targets Related to Affected Communities

Continental has defined a systematic process for setting targets. With regard to affected communities, it was decided to pursue the management approaches described and not to set a time-bound sustainability target. The monitoring of effectiveness and the tracking of progress are described in the related management approaches and reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to affected communities beyond the described management approaches.

Metrics in Relation to Affected Communities

Severe human rights violations related to affected communities	2024
Total number of known incidents of serious human rights violations related to Continental's affected communities	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of the case management in the RVCDDS.*
- *The incidents mainly involve violations of environmental rights, security practices and land rights of affected communities.*
- *The data is collected through the various complaint mechanisms of the Continental Group. The incidents considered are severe human rights incidents that were reported in Continental's systems during the reporting year and that involve a person who belongs to an affected community of Continental.*
- *This information represents Continental's current knowledge and includes incidents of which Continental has substantiated knowledge regarding the specific incidents.*
- *The metric is entity-specific.*

Fines, penalties and compensation for severe human rights violations	2024
Total amount of fines, penalties and compensation for severe human rights violations in relation to affected communities, in € millions	0

Definitions, assumptions, and calculation methods:
- *The severity of incidents is regularly evaluated as part of the case management in the RVCDDS.*
- *The incidents mainly involve violations of environmental rights, security practices and land rights of affected communities.*
- *Fines, penalties, and compensation paid out during the reporting year are included.*
- *The data is collected through the various complaint mechanisms of the Continental Group. The incidents considered are severe human rights incidents that were reported in Continental's systems during the reporting year and that involve a person who belongs to an affected community of Continental.*
- *Related expenses within the meaning of ESRS are reported in the consolidated financial statements under Other expenses in the consolidated statement of income.*
- *The metric is entity-specific.*

Consumers and End-Users (ESRS S4)

Material Impacts, Risks and Opportunities Related to Consumers and End-Users

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential and actual negative and positive impacts, risks and opportunities have been identified in relation to consumers and end-users. They have been grouped into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required. As positive impacts and opportunities are strengthened by Continental's management approaches, the descriptions are presented from a net perspective which, for methodical reasons, considers the results of the management approaches.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

Technical and product compliance

- Continental has recorded individual quality incidents in 2024 which are assumed to have limited impacts on the personal safety of consumers. Beyond the confirmed incidents, and in particular considering potential quality defects or misuse of Continental's products, significant negative impacts on the personal safety of consumers and end-users of Continental's products could occur if not adequately managed or prevented. (see ESRS 2, IRO table, impact 66)

- Some of Continental's products, applications and services process and handle consumers' and end-users' data (e.g. from connected phones, addresses). Therefore, incidents with significant negative impacts related to violations of data protection rights can occur if these are not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 68)

- Given the broadness of Continental's portfolio of components and systems for vehicles and industrial applications relevant to consumers' personal safety and the considerable increase in regulations and market trends relating to consumer protection and product safety, Continental could face significant sales losses in the respective businesses, especially in the medium term, if the speed of change exceeds the speed of adaptation. (see ESRS 2, IRO table, risk 69)

- Continental operates in industries and has a portfolio where incidents related to product safety, technical standards and requirements for consumers and end-users can occur. If, in the worst-case scenario, Continental's prevention processes were to fail and related severe incidents were to occur, Continental could face sanctions with significant penalties and fines, remedy costs or even business-on-hold for the respective businesses, especially in the medium term. (see ESRS 2, IRO table, risk 70)

Safe mobility

- Continental's product portfolio includes numerous safety-relevant products (e.g. brakes, sensors, tires) which are constantly evolving and therefore presumably have a substantive positive impact on the personal safety of consumers and end-users and put pressure on markets and other market participants to continuously improve. (see ESRS 2, IRO table, impact 67)

- Continental's product portfolio serves markets which are transforming because of further increasing regulatory requirements and market trends related to safety and consumer protection. This can lead to changing requirements for certain products and innovations of Continental. If Continental is able to utilize these market drivers effectively, specific businesses activities (especially tires and brakes) can profit directly or indirectly from substantial growth opportunities or even new business fields/models in the long term. (see ESRS 2, IRO table, opportunity 71)

Further Information on the IRO Assessment in Relation to Consumers and End-users

The identified actual and potential impacts on consumers and end-users are industry- and portfolio-inherent and therefore linked to Continental's strategy and business model.

The identified material actual and potential impacts on consumers and end-users are of relevance for Continental's strategy and business model as described in the management approaches on safe mobility and on technical and product compliance.

Impacts, risks and opportunities are directly interrelated and thereby directly relevant for Continental's strategy and business model.

All risks and opportunities arise directly from the corresponding impacts.

Consumers or end-users of Continental's products and services are typically consumers or customers using vehicles with Continental's components and systems. In addition, in the industrial application environment there are different types of industrial workers being directly or indirectly users of industrial applications containing Continental's components and systems.

The consumers and end-users subject to the identified impacts comprise consumers and end-users of products which, as described in the impacts, are inherently relevant regarding potential harm to their personal safety. The identified impacts also cover consumers and end-users of products and services which are relevant regarding potential negative impacts on privacy rights (e.g. personal data).

Consumers and end-users who are dependent on accurate and accessible product or service information as well as consumers and end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies (e.g. children) are not in focus of the identified impacts but may nevertheless be end-users especially of vehicle components.

In general, the identified actual and potential impacts are industry- and portfolio-inherent and therefore considered systemic. Nevertheless, the actual impacts are incident-based.

The assessment of the material negative impacts on consumers and/or end-users was integrated in the general impact, risk and opportunity assessment following the defined methodology. The methodology takes into consideration both perspectives: All negative impacts are considered widespread or systemic as they are related to Continental's operations, sourcing or other business relationships. This also includes event-based impacts on the personal safety of consumers and end-users of Continental´s products or potential violations of their data privacy rights. In addition, the methodology factors in event-based actual negative impacts, e.g. concrete recorded quality incidents.

The identified material positive impact relates to Continental's products (e.g. driver assistance systems, brake systems or tire pressure monitoring systems) for the safety of consumers and end-users while driving or in other traffic situations.

In general, the identified impacts, risks and opportunities include all consumers and end-users.

Continental's assessment of the impacts, risks and opportunities did not focus on consumers or end-users with particular characteristics and correspondingly did not provide an understanding of potential specific negative impacts. Based on the IRO assessment in Continental's interpretation, the assessment of actual and potential negative impacts in particular through Continental's products, systems and services for vehicles has the potential to affect every user of vehicles worldwide as an end-user.

The identified material risks related to impacts and dependencies on consumers and/or end-users are related to all consumers and/or end-users.

Management Approaches to Consumers and End-Users

Technical and product compliance
Technical compliance means that all products (system, hardware, software and/or services) comply with the specifications placed on them and meet the applicable mandatory product requirements. Technical compliance obligations are generally contained in statutory technical regulations, external standards (national/international), applicable internal rules, technical customer requirements contractually agreed upon as well as in the externally communicated voluntary commitments of Continental.

The main objective of Continental's management approach to Technical and product compliance is to ensure the technical compliance of our products, including systems, hardware, software and/or services. Five categories of technical compliance are taken into consideration in this respect: product safety, product conformity, environmental conformity of products, cybersecurity of products, data protection and intellectual property. At the same time, the management approach aims to protect Continental and its employees from possible negative consequences and risks that any deviation from the technical compliance may cause.

To ensure technical compliance in all five categories, Continental has established a technical Compliance Management System (tCMS) as a binding set of rules integrated into Continental's management system.

The management approach covers the Continental Group worldwide as well as the entire product life cycle and all related functions. Thus, it also covers all products and services of Continental and therefore, all consumers and end-users of these products and services are as well indirectly covered.

Continental's governance and accountability with regards to technical compliance follow a three-lines-approach. In the first line, the accountability for the execution lies with the operational functions at the level of the group sectors, business areas, legal entities, plants and other locations. These operational functions include among others research & development (R&D), engineering, sales, purchasing, manufacturing, after-sales and marketing. In the second line, the governance framework and operational oversight are exercised by technical compliance functions and roles (e.g. within quality, intellectual property and R&D). The third line is the independent internal audit function. The management approach is supervised by the Executive Board. Each line performs specific tasks, has explicit responsibilities and is assigned to different areas within the organization. As the central requirement, independence of the individual lines is ensured through organizational separation.

The tCMS within Continental comprises a large number of processes related to technical compliance (tC):

- tC case management, which deals with the management of tC problems that occur when the product is in the field, i.e. already in use or no longer under the management control of Continental. It includes the identification of tC problems, their initial assessment, analysis, mitigation of problems, prevention of recurrence, closure of problem cases, lessons learned, and an audit after works completion.
- tC clearing management, which deals with the management of tC problems that occur before the product is in the field or while it is still under the management control of Continental.
- identification and implementation of tC obligations, a defined process for the identification of our technical compliance obligations, i.e. mandatory requirements for Continental's products and services, and providing these requirements in a traceable form for implementation.
- tC risk management for determining tC risks and ensuring their management and monitoring along the entire product life cycle.
- tC business partner integrity management to ensure the technical compliance of suppliers, other third-party providers as well as minority holdings of Continental, including associates and joint ventures without management control which supply materials or components for use in Continental's products, and providers of goods and services.
- tCMS monitoring and reporting, to ensure that the tCMS is adequately monitored and that tC-related information is collected, documented, communicated and made available to the relevant stakeholders at every level of the organization.

The tCMS is implemented in a close collaboration between Group, all group sectors, business areas, segments, functions and regions. Central tCMS teams ensure that all categories and aspects are covered and synergies are realized.

The metrics related to consumers and end-users "Coverage of quality management systems" and "New field quality events" track Continental's efforts in securing technical and product compliance.

As part of an annual review process, the Executive Board of Continental is updated on the current status of the tCMS and decides on the system's adequacy and potential for improvement. Furthermore, the tCMS is integrated into Continental's overarching internal control system, the risk management system and the compliance management system.

The tCMS is documented in a dedicated internal rule. Additional internal rules relevant for technical compliance cover in particular specific design standards and testing procedures.

The tCMS was developed on the basis of industry standards such as IDW PS 980 and ISO 37301 and is compliant with those. Continental's technical compliance standards focus on compliance with legal technical regulations (LTRs) as well as applicable national and international standards (NIS) related to product safety, product conformity, environmental requirements to products, product cybersecurity and data protection. In addition, the standards also consider contractually agreed technical requirements of customers with regard to legal technical obligations relevant for them, applicable external standards as well as internal rules of the customers as binding product requirements. These include, for example, specific product certification and material or emission limits that apply to the overall system, e.g. a complete vehicle.

In the technical compliance environment, the interests of stakeholders are to a major extent covered indirectly through comprehensive regulatory requirements and requirements imposed by the standards. This also includes the interests of consumers and end-users. Key direct stakeholders are customers and authorities. Close dialogue with these stakeholders is a key element of the management approach.

Continental communicates its management approach externally and internally. The responsible employees are trained in technical compliance. There are numerous further communication formats (such as open calls) to promote the management approach.

Safe mobility

With technological solutions aiming at zero road traffic accidents and fatalities, Continental strives for maximum safety in mobility. This ambition is deeply rooted in the company culture and reflected by the broad product portfolio of safety-relevant products (e.g. brakes, sensors, driver assistant systems, tires). The focus of the Continental's management approach related to safe mobility is therefore the fulfillment of this ambition, mitigation of the related risks and facilitation of the profitable business with safety-relevant products.

In general, the management approach covers Continental's entire portfolio, but is geared especially towards the safety-relevant products. It encompasses all groups of consumers or end-users rather than focusing on any specific group.

Safety-relevant products include, for example, the following products:

- Efficient brake systems are essential for controlling vehicle movement, predictive and preventive safety functions, safe infrastructure solutions and advanced driver assistance systems.

- Tires are the only point of contact between a vehicle and the road. In a critical situation, it is the tire that determines whether the vehicle is able to stop in time or stay safely in course through a corner. The performance of a tire is therefore directly related to the braking behavior.

- In addition, our ContiTech group sector develops and supplies numerous sealing and suspension components for hydraulic, pneumatic and electronic brake systems. Since they are used in a safety-relevant system, they are essential for the functional reliability of a vehicle.

The handling and adaptation of the respective portfolio is steered by the responsible business. Oversight of the effectiveness of the portfolio management is exercised by the group sector boards and the Executive Board, for example, in the strategy process. Management of the key processes is handled by the respective departments within business, e.g. research and development (R&D), product design, supply chain management and purchasing, and is supported by the sustainability departments.

The processes for managing the opportunities of safe mobility within Continental's group sectors are especially R&D activities, close dialogue with customers, active portfolio management and market observation. The development and placement of new products for safe mobility are driven by increasing safety regulations, e.g. US federal motor vehicle safety standards or the safety regulations of the European Commission. Beside ensuring compliance with the constantly increasing regulations, Continental also researches and develops new products and solutions for safe mobility. The product development processes also include working on the economic feasibility, market readiness and scaling of such solutions as well as the cooperation with customers, suppliers and other institutions (e.g. universities).

Elements of the management approach are codified in corresponding internal rules and frameworks.

The management approach to safe mobility does not directly follow external standards. However, it is closely linked to the management approach to technical and product compliance.

The relevant impacts on end-users and consumers in the context of safe mobility (especially personal safety) are not directly related to their human rights, as they are positive impacts.

Consequently, Continental does not engage with consumers or end-users on human rights.

Accordingly, the management approach is not based on internationally recognized human rights standards.

Nevertheless, Continental’s whistleblowing channels such as the integrity hotline are open to consumers and end-users as well.

The interests of consumers and end-users are the key drivers for the management approach. Their wishes and concerns regarding personal safety, reliability of the vehicle, comfort and convenience or cost efficiency are not only relevant for Continental but also for Continental’s business partners. The engagement with consumers and their representatives takes place through various formats including regular surveys as well as trade fairs. Understanding these interests helps Continental to develop and to place products and systems that meet the needs and expectations of the consumers and end-users.

Continental actively communicates about safe mobility in various formats, also in the style of public advocacy to improve safe mobility (e.g. via social media). Internal engagement also includes a variety of formats.

Processes for engaging with consumers and end-users about impacts

Due to Continental’s role as a supplier to other companies, direct processes for engaging with consumers and end-users as well as their representatives about actual and potential impacts are primarily established for tires replacement market. Continental uses mainly customer service centers which take care on customers’ requests regarding product or service issues. In addition, for any concerns regarding integrity topics, Continental’s integrity hotline is available to consumers and end-users via our website, by telephone or email.

Continental gains insights into the perspectives of consumers and end-users on actual or potential concrete impacts by means of direct feedback, for example through customer service centers. In addition, Continental also receives feedback from their business partners about their end-users. Consumers and end-users that are particularly vulnerable to impacts or are marginalized (e.g. children) are not a specific focus area when it comes to obtaining insights into the perspectives of consumers and end-users.

The combination of direct and indirect engagement with consumers and end-users leads to an engagement at different stages of the product life cycle. While the interaction in the replacement market and the indirect interaction via customers takes place on a continuous basis, event and incident-based interaction is by nature irregular. This engagement and consideration of the views of consumers and end-users is described in the respective management approaches, particularly related to technical and product compliance (e.g. with regard to responsibilities or monitoring of effectiveness), as it constitutes a relevant input for those management approaches, through – among others – the related legal requirements.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Grievance channels for consumers and end-users

Continental’s processes and channels to cooperate on remediation of negative impacts on consumers and end-users, and also to raise concerns, are mainly the customer service centers of the group sectors and as well as Continental’s integrity hotline.

The customer service centers are specific channels for consumers and end-users for any product-related issues. Furthermore, the integrity hotline is an additional channel for integrity-related product issues. However, it is not intended as a channel to report discontent with Continental’s products.

The availability of Continental's integrity hotline is pointed out in Continental`s business relationships via our Business Partner Code of Conduct, which is also publicly available on our website.

The tracking and monitoring of concerns raised through customer service centers takes place directly in the customer service centers and through related processes. The tracking and monitoring of the integrity-related product issues raised and dealt with was described in the process for tC case management which is part of the management approach to technical and product compliance. Further information on how Continental ensures the effectiveness of the integrity hotline can be found in the Business conduct and corporate governance (ESRS G1) section in this sustainability report.

Continental does not explicitly assess the affected consumers’ and end-users’ knowledge of these channels and their trust in them.

Further information on protection of Continental’s integrity hotline users from retaliation can be found in the information on Business conduct and corporate governance (ESRS G1) in this sustainability report.

Remediation processes

Continental’s general approach to remedy in cases of material negative impacts on consumers and/or end-users is in line with national regulations.

In case of individual negative product-related incidents, Continental follows the regulations of the respective national authorities and initiates, if required, e.g. recalls either on its own or indirectly via recalls by customers that place the final product on the market. This may also include remedial measures for consumers or end-users. The effectiveness of the measures is assessed as part of the described management approach to technical and product-related compliance.

Targets Related to Consumers and End-Users

Continental has defined a systematic process for setting targets. With regard to consumers and end-users, it was decided to pursue the described management approaches and not to set a time-bound sustainability target. The monitoring of effectiveness and the tracking of progress are described in the related management approaches and the reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to consumers and end-users beyond the described management approaches.

Metrics Related to Consumers and End-Users

Coverage of quality management systems	2024
Quality management system certifications (ISO 9001 or similar) Employee coverage (as at December 31), in %	85

Definitions, assumptions, and calculation methods:

- *Included are own employees of the Continental Group with a valid and active employment contract as well as non-employees as at December 31, 2024. Interns and apprentices are not considered.*
- *Valid certifications and concluded recertifications as well as ongoing certifications, if the achievement of recertification is considered highly probable, are taken into account.*
- *The data is collected by the individual locations. A small number of employees who could not be assigned are considered not to be covered. The metric is calculated from the ratio of own workforce working at a certified location to the total number of Continental's own workforce.*
- *The metric is entity-specific.*

New field quality events	2024
Number of new field quality events (as at December 31)	17

Definitions, assumptions, and calculation methods:

- *A field quality event is defined as a risk-minimizing measure initiated by Continental, a customer and/or an authority based on a safety-related deficiency and/or non-compliance with the regulations.*
- *As the corresponding product is usually already in use by end-customers, the technical jargon is that it is already "in the field."*
- *This metric is entity-specific.*

Sustainability Report – Governance Information

Business Conduct and Corporate Governance (ESRS G1)

Material Impacts, Risks and Opportunities Related to Business Conduct and Corporate Governance

Continental assessed its potential and actual negative and positive impacts as well as risks and opportunities related to sustainability according to the regulatory requirements and as described in the General disclosures (ESRS 2) section. The general disclosures include an overview of the assessment of all identified impacts, risks and opportunities (IROs), including the time horizons considered.

In this IRO assessment, the following material potential negative impacts and risks were identified in relation to business conduct and corporate governance. They have been grouped together into IRO clusters for easier understanding and reading. The descriptions of the negative impacts and risks are presented from a gross perspective which, on the basis of the applied methodology, does not take into account mitigation through the management approaches of Continental as described in the respective IRO cluster. This perspective is used to determine where appropriate management approaches are relevant and corresponding reporting is required.

The descriptions of the IROs are to be regarded as self-contained, which may result in repetitions.

- Continental operates in certain markets and business activities in which individual or non-individual incidents of alleged or actual unlawful behavior regarding antitrust regulations can occur that can result in significant negative impact on markets, societies or individuals, if not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 72)
- Continental operates in certain markets and business activities where incidents with significant negative impacts on whistleblowers could occur if they are not adequately prevented or sufficient protection cannot be ensured. (see ESRS 2, IRO table, impact 73)
- Continental operates in certain markets and business activities where individual or non-individual incidents of alleged or actual unlawful behavior with regard to corruption, bribery, fraud or other business ethics can occur, which can cause significant negative impacts on markets, societies or individuals if not adequately prevented or mitigated. (see ESRS 2, IRO table, impact 74)
- Continental operates in certain markets and industries where incidents related to business conduct (e.g. corruption and bribery, fraud, antitrust, protection of whistleblowers, money laundering or other business ethics) can occur. If, in the worst-case scenario, Continental's due diligence processes were to fail and related severe violations were to occur, Continental can face sanctions with substantial penalties and fines or even business-on-hold for the respective business operation. (see ESRS 2, IRO table, risk 75)

Management Approaches to Business Conduct and Corporate Governance

Business conduct, corporate governance and corporate culture

Continental's corporate culture as well as its compliance culture serve as the foundation for our management approach to business conduct, corporate governance and corporate culture. To a large extent, the management approach is influenced by the attitude and behavior of Continental's management and its handling of compliance risks. To cover all aspects in this regard, Continental has introduced a comprehensive compliance management system (CMS), which is steered and monitored by the compliance organization.

Continental's compliance management system focuses on the following areas:

- **Business ethics:** Compliance with anti-corruption and anti-bribery laws in order to ensure ethical behavior when dealing with business partners and public officials as well as to promote ethical behavior.

- **Antitrust:** Compliance with the competition laws in force in order to ensure free and fair competition.

- **Anti-money laundering:** Compliance with the applicable laws and regulations with regard to anti-money laundering and countering the financing of terrorism.

- **Data compliance:** Compliance with all applicable international and national data protection regulations for personal and non-personal data.

Continental's compliance management system covers the entire Group and thus all entities under management control of Continental.

In the first line (ref. to the Three Lines Model by The Institute of Internal Auditors), the accountability for the implementation of compliance lies with the management of the respective legal entities of Continental and with all employees. The accountability for the system's governance framework lies with the Chief Compliance Officer (CCO), who is appointed by the Executive Board and acts as the second line. The CCO operates a compliance organization with several departments that report directly to the CCO. It consists of dedicated specialized departments as well as of regional compliance departments that primarily provide advice to the group sectors and business areas of the Group. An internal network of compliance coordinators in the countries where Continental has points of presence supports the compliance department with dissemination of information. The compliance coordinators also support central activities and at the same time provide information on relevant local regulations and requirements. The third line is represented by Group Internal Audit, which assesses the adequacy and effectiveness of the compliance management system in an independent manner. The Executive Board bears the overall responsibility for compliance and exercises oversight on the compliance management system.

Internal compliance controls, which are aligned with the respective legal entity's risk profile, are implemented locally and aligned with Continental's GRC system, in particular with the Group-wide internal control process, which includes a dedicated methodology.

In addition to the responsibilities within the organization, the Supervisory Board exercises further oversight over the company's compliance management.

All members of the Executive Board of Continental have sufficient expertise with regard to business conduct and corporate governance. Within the Executive Board, the Executive Board member for Group Finance and Controlling, Integrity and Law is responsible for governance related to business conduct and corporate governance. This Executive Board member therefore has special expertise. Further information on the expertise of the members of the Executive Board is disclosed in Annex to the By-Law of the Executive Board as well as in the curricula vitae of the individual Executive Board members on our website under Company / Corporate Governance / Executive Board.

In addition, the Supervisory Board has strong and long-standing expertise in the area of business conduct and corporate governance. Further information on the expertise of the individual Supervisory Board members can be found in the qualification matrix in the Corporate governance statement in this annual report.

In order to continuously ensure adequate design and operational effectiveness of the CMS, various risk-based processes are carried out by the compliance organization – both centrally and locally for the legal entities.

In cooperation with the relevant legal entities identified on the basis of an internal initial risk assessment, the compliance organization regularly carries out a risk identification and assessment process in order to review individual risks of the respective legal entities.

The compliance organization regularly reviews its rules to ensure compliance with legal regulations and consistency with other internal rules.

The compliance organization performs regular spot checks on locally implemented internal compliance controls and initiates remedial measures in the event of deviations.

In addition, Group Internal Audit conducts focus audits of Continental's compliance management system and considers compliance risks in its general audits at its own discretion. Furthermore, the compliance organization reviews the CMS processes in order to identify, analyze and eliminate any risks and inefficiencies of the system.

The processes of the compliance management system support the business regarding compliant behavior of Continental's employees in business processes.

Functions of Continental that are most at risk with respect to corruption and bribery are typically departments with third-party contacts such as purchasing, sales, human relations, finance, and public affairs.

An important part of Continental's compliance program is the opportunity for whistleblowers to report their concerns and grievances. A whistleblower can be any stakeholder of Continental, e.g. an employee in Continental's own workforce, a worker in the value chain, a member of an affected community, a consumer or an end-user. The whistleblowing process is managed by means of a dedicated internal rule that – in an end-to-end process – defines the roles and responsibilities along the process steps of reporting, report processing and substantiation, investigation and sanctioning, all in line with the German Whistleblower Protection Act and pertinent international legislation.

This rule on whistleblowing also defines a process for reception of (potential) compliance cases, their prompt, independent and objective processing, review and investigation and introduction of measures, especially regarding:

- Manipulation of (financial) accounting,
- Competition/antitrust law,
- Fair and ethical conduct, conflicts of interest,
- Corruption/bribery,
- Discrimination, harassment, psychological violence,
- Environmental rights,
- Export and import control, including sanctions,
- Human rights,
- Information and trade secret protection,
- Integrity of the whistleblower system, such as whistleblower retaliation, or violation of confidentiality or the duty to report,
- Information technology (IT) security/cybercrime,
- Labor rights, including individual and collective rights,
- Market manipulation, including insider trading,
- Misuse of company property or services, and theft,
- Money laundering and financing of terrorism,
- Protection of personal data,
- Physical violence,
- Sabotage and vandalism,
- Terrorism, extremism and organized crime,
- Occupational safety and health,
- Sexual harassment,
- Tax evasion and tax fraud,
- Technical compliance (product compliance),
- (Digital) fraud, embezzlement and other forms of enrichment.

Continental provides whistleblowers with three whistleblowing channels: An integrity hotline with international and local phone numbers, an integrity platform (online form) as well as an integrity email address. These channels offer possibilities for confidential and anonymous reporting of (potential) compliance cases.

These cases are reviewed by a dedicated team of case managers within the compliance organization who forward the cases to the internal audit departments for investigation if a report can be substantiated. Further information regarding the single steps of the process can be found further below in the subsection Prevention and detection of corruption and bribery.

The underlying process is as well defined in an internal rule and also publicly available in the form of a condensed and accessible document named Rules of Procedure. In addition, fixed employees are offered a mandatory web-based basic training on the subject of whistleblowing. Moreover, the possibilities for whistleblowing are regularly communicated to the employees, e. g. through special posters that are hung up in Continental's locations.

In compliance with the Directive (EU) 2019/1937, Continental's Code of Conduct as well as the dedicated internal rule on whistleblowing define non-tolerance of retaliation of whistleblowers and penalize such behavior. Retaliation of whistleblowers, such as dismissal, blacklisting, demoting, denying overtime or promotions, disciplining, denying benefits, failing to (re)hire, and intimidation is serious offense and is treated as such.

Employees are free to report incidents of (potential) misconduct also to their superiors, human relation departments and other functions. However, these people or functions are not reporting channels as per the German Whistleblower Protection Act. Therefore confidentiality, anonymity, and non-retaliation etc. cannot be fully ensured.

To promote and further develop the corporate culture, the desired conduct of employees and the self-image of the Continental Group, Continental has developed a clear vision and mission as well as four fundamental corporate values, which form the roots of our corporate culture. Furthermore, two internal principles contribute to our corporate culture: our sustainability ambition and the binding Code of Conduct for all employees of Continental.

To assess its corporate culture, Continental has developed the OUR BASICS Live Sustainable Engagement index as well as the OUR BASICS Live Integrity Perception index which evaluate the perceived state of compliance culture. Both indices are calculated on the basis of the annual OUR BASICS Live Employee Survey (further information can be found in the Own workforce (ESRS S1) section of this sustainability report).

Continental's compliance management system is based on a set of rules. As a main element of Continental's compliance program, the creation and communication of rules is embedded into Continental's rule governance process, utilizing a centrally-used rule management application including relevant processes.

Continental's compliance management system is based on the IDW Assurance Standard 980 for compliance management systems of the Institute of Public Auditors in Germany, Incorporated Association (Institut der Wirtschaftsprüfer in Deutschland e. V. (IDW)).

Continental's management approach with regard to business conduct, corporate governance and corporate culture considers the interests of various stakeholders such as employees, shareholders, customers and whistleblowers.

The communication of CMS-relevant information is managed by the compliance organization promoting integrity culture in general as well as compliance areas and topics in particular. For example, a regular series called "Case of the Quarter" enhances sensitivity to compliance topics through an accessible and easy-to-understand "true crime" format. Open calls, intranet articles, workshops, and posts in relevant internal channels focus on topics at hand. Additionally, the compliance management system comprises several mandatory general as well as specific web-based and face-to-face training sessions for various target groups in the respective group sectors or functions.

A comprehensive training concept ensures basic training for Continental's fixed employees in the mentioned compliance areas as well as risk-based advanced and deep dive training for topic- and target group-specific content. The training plan foresees basic training courses for anti-bribery and anti-corruption topics. These are held annually and are mandatory for all fixed employees. See also the associated metric "Anti-corruption and anti-bribery training programs".

Prevention and detection of corruption and bribery

Continental has established its integrity hotline as the main system to report, prevent and detect unethical and unlawful behavior, including corruption and bribery. The reporting of such concerns makes an important contribution towards detection and prevention of misconduct. Continental does not tolerate retaliation against whistleblowers.

The procedures in place to prevent, detect and deal with allegations or incidents of corruption and bribery are covered by the described management approaches to business conduct, corporate governance and corporate culture.

In the event of report placement, an independent investigation unit from the internal audit function decides on conducting of the investigation within the limitations of an internal rule for whistleblowing and internal investigations at its own discretion.

All investigations are subject to the need-to-know principle. According to this principle, information may only be distributed or made accessible to persons who receive allegations, administer cases, perform investigations, define sanctions, or support any of these activities, or where Continental has a legitimate interest to inform other departments (for example, in cases of litigation), where required. Particularly, the identities of the whistleblower and the accused person remain confidential and undisclosed to unconcerned parties, unless the investigation, conflicting (data protection) laws and regulations, and/or legal proceedings require doing so.

For each case investigated, the investigation unit prepares a report and evaluates the case at its own discretion. After finalization of a draft report, the investigation unit sends the report to the compliance case management team (as part of the Compliance organization) for review and quality assurance. The recommendations contained in the report are defined and tracked by the respective investigation unit and are implemented by the management.

The compliance case management team submits a report about ongoing and closed investigations to the Chief Compliance Officer and the Head of Group Internal Audit on a quarterly basis. In cases of assumed high impact for Continental in the short term, the compliance case management team immediately reports the circumstances of the respective case to the Chief Compliance Officer.

The Chief Compliance Officer and the Head of Group Internal Audit report to the Executive Board as well as to the Audit Committee of the Supervisory Board on a regular basis. If an allegation against a member of the Executive Board is substantiated, the report is not forwarded to the Executive Board but to the Chairman of the Audit Committee of the Supervisory Board.

In general, communication about corruption and bribery matters is part of the overarching management approach to business conduct, corporate governance and corporate culture. In addition, all internal rules are available on Continental's platform for internal rules on the intranet and is accessible to every employee with computer access. Web-based and face-to-face trainings ensure that rule content is explained to addressees in practical terms including providing examples and case studies.

Continental's anti-corruption and anti-bribery training program are mainly drawn up on web-based training courses delivered via a special learning platform. Basic principles and rules on this topic are presented and case studies are provided so that participants themselves can check the correct understanding of the learning content. The training is mandatory for all fixed employees. Through face-to-face training focusing on specialized in-depth content, selected functions (e.g. purchasing and sales) are trained in relevant aspects of business conduct and corporate governance.

The Executive Board and the Supervisory Board are regularly updated by the Chief Compliance Officer on recent developments regarding compliance (anti-corruption and anti-bribery) topics. These updates contain updates on new regulatory requirements, if required, and therefore serve a training purpose. In addition, the Executive Board receives the same compliance training as all other fixed employees.

Targets Related to Business Conduct and Corporate Governance

Continental has defined a systematic process for setting targets. With regard to business conduct and corporate governance, it was decided to pursue the management approaches described and not to set a time-bound sustainability target. The monitoring of effectiveness and the tracking of progress is described in the related management approaches and reported metrics.

Key Actions for Target Achievement

In Continental's view, key actions to be reported relate directly to corresponding targets, where available. Therefore, in accordance with this definition, Continental has not defined any key actions in relation to business conduct and corporate governance beyond the described management approaches.

Metrics for Business Conduct and Corporate Governance

OUR BASICS Live Integrity Perception index	**2024**
OUR BASICS Live Integrity Perception index, in %	79

Definitions, assumptions, and calculation methods:
- *The OUR BASICS Live Integrity Perception index is defined as the agreement of the employees to the questions relating to the topic of integrity perception in the OUR BASICS Live employee survey.*
- *The survey is based on a representative random sample across all Continental locations worldwide.*
- *The metric is entity-specific.*

Convictions for corruption and bribery	**2024**
Number of convictions for corruption and bribery	0

Definitions, assumptions, and calculation methods:
- *Included are convictions of Conti¬nental or convictions associated with Conti¬nental of which Conti¬nental has substantiated knowledge.*
- *Convictions for which a court decision at first instance was issued during the reporting year are considered.*
- *The definitions of corruption and bribery follow the applicable national laws.*
- *The data is collected by the legal entities.*

Anti-corruption and anti-bribery training programs	**2024**
Functions-at-risk covered by anti-corruption and anti-bribery training programs (as at December 31), in %	100

Definitions, assumptions, and calculation methods:
- *Included are own employees of the Continental Group with a valid and active employment contract as at December 31, 2024. Interns, apprentices and non-employees are excluded.*
- *Function-at-risk is a function in which the employees mainly work in administrative areas and receive salaries.*
- *The anti-corruption and anti-bribery training programs are mandatory for all functions-at-risk.*

Fines for corruption and bribery convictions	**2024**
Total amount of fines for violation of anti-corruption and anti-bribery laws, in € millions	0

Definitions, assumptions, and calculation methods:
- *Convictions that result in a fine as penalty for the Conti¬nental Group or one of its subsidiaries are considered.*
- *Included are fines paid out in the reporting year.*
- *Definitions of anti-corruption and anti-bribery follow the national applicable laws.*
- *The data is collected by the legal entities that document the convictions.*
- *Related expenses within the meaning of the ESRS are reported in the consolidated financial statements under Other expenses in the consolidated statement of income.*

As no incidents occurred during the reporting period, Continental did not have to take any measures to remedy breaches of anti-corruption and anti-bribery procedures and standards.

Overviews and Indexes in Accordance with ESRS 2

Overview and Index of Mandatory Disclosures (Disclosure Requirements)

Disclosure Requirement	Section/Subsection	Page
ESRS 2 General disclosures		
BP-1 – General basis for preparation of sustainability statements	General basis for preparation of the sustainability report	97
BP-2 – Disclosures in relation to specific circumstances	Disclosures due to other legislation on sustainability reporting	97
GOV-1 – The role of the administrative, management and supervisory bodies	Governance	110-112
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Consideration of sustainability matters in corporate supervision	112
GOV-3 – Integration of sustainability-related performance in incentive schemes	Sustainability-related performance in incentive schemes	116
GOV-4 – Statement on due diligence	Statement on due diligence	115
GOV-5 – Risk management and internal controls over sustainability reporting	Internal control system for sustainability reporting	117
SBM-1 – Strategy, business model and value chain	Strategy, business model and value chain	113-114
SBM-2 – Interests and views of stakeholders	Stakeholders and stakeholder engagement	102
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Overview of material impacts, risks and opportunities	98; 101
	Details of the material impacts, risks and opportunities	104-107
	Material impacts, risks and opportunities related to climate change	126-127
	Material impacts, risks and opportunities related to pollution	146-147
	Material impacts, risks and opportunities related to biodiversity and ecosystems	154
	Material impacts, risks and opportunities related to resource use and circular economy	159
	Material impacts, risks and opportunities related to own workforce	170-171
	Material impacts, risks and opportunities related to workers in the value chain	189
	Material impacts, risks and opportunities related to affected communities	195
	Material impacts, risks and opportunities related to consumers and end-users	199
	Material impacts, risks and opportunities related to business conduct and corporate governance	205
IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	Process for identifying and assessing material IROs	99-101
	Consideration of stakeholder interests and views	102
	Details of the material impacts, risks and opportunities	104-105
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Identification of the information to be disclosed based on the IRO assessment	104
	Overviews and indexes in accordance with ESRS 2	211-219

Disclosure Requirement	Section/Subsection	Page
E5-1 – Policies related to resource use and circular economy	Management approaches for resource use and circular economy	160-161
E5-2 – Actions and resources related to resource use and circular economy	Key actions for target achievement	163-164
E5-3 – Targets related to resource use and circular economy	Targets related to resource use and circular economy	161-162
E5-4 – Resource inflows	Resource inflows	165-166
E5-5 – Resource outflows	Resource outflows	166-169
ESRS S1 – Own workforce		
S1.SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders relating to own workforce	103
S1.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Further information on the IRO assessment in relation to the own workforce	172
S1-1 – Policies related to own workforce	Management approaches to own workforce	173-179
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	Processes for engaging with own workers and workers' representatives about impacts	179
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	Processes to remediate negative impacts and channels for own workforce to raise concerns	180
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Key actions for target achievement	181-182
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to own workforce	181
S1-6 – Characteristics of the undertaking's employees	Characteristics of the company's employees	183-184
S1-8 – Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue	184
S1-9 – Diversity metrics	Diversity	185
S1-10 – Adequate wages	Adequate wages	186
S1-14 – Health and safety metrics	Occupational safety and health	186-187
S1-16 – Compensation metrics (pay gap and total compensation)	Remuneration metrics	187
S1-17 – Incidents, complaints and severe human rights impacts	Incidents, complaints and severe human rights impacts	188
ESRS S2 – Workers in the value chain		
S2.SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders relating to workers in the value chain	103
S2.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Further information on the IRO assessment in relation to workers in the value chain	190
S2-1 – Policies related to value chain workers	Management approach to workers in the value chain	191-192
S2-2 – Processes for engaging with value chain about impacts	Processes for engaging with value chain workers about impacts	192
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	192-193
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Key actions for target achievement	193
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to workers in the value chain	193

Disclosure Requirement	Section/Subsection	Page
ESRS S3 – Affected communities		
S3.SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders relating to affected communities	103
S3.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Further information on the IRO assessment in relation to affected communities	196
S3-1 – Policies related to affected communities	Management approach to affected communities	197
S3-2 – Process for engaging with affected communities about impacts	Processes for engaging with affected communities about impacts	197
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	Processes to remediate negative impacts and channels for affected communities to raise concerns	197-198
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Key actions for target achievement	198
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to affected communities	198
ESRS S4 – Consumers and end-users		
S4.SBM-2 – Interests and views of stakeholders	Interests and views of stakeholders relating to consumers and end-users	103
S4.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Further information on the IRO assessment in relation to consumers and end-users	200
S4-1 – Policies related to consumers and end-users	Management approaches to consumers and end-users	201-203
S4-2 – Processes for engaging with consumers and end-users about impacts	Processes for engaging with consumers and end-users about impacts	203
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	203
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Key actions for target achievement	204
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to consumers and end-users	204
ESRS G1 – Business conduct		
G1.GOV-1 – The role of the administrative, supervisory and management bodies	Business conduct, corporate governance and corporate culture	206
G1.IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Specifics of the IRO assessment in relation to business conduct and corporate governance	109
G1-1 – Corporate culture and business conduct policies	Business conduct, corporate governance and corporate culture	206-208
G1-3 – Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery	208
G1-4 – Confirmed incidents of corruption or bribery	Metrics for business conduct and corporate governance	210

Overview and Index of Data Points in General and Topic-Related Standards that are Derived from Other EU Legislation

The table below illustrates the data points in ESRS 2 and topic-related ESRS that are derived from other EU legislation.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report of Continental Page
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator No. 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		111
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		111
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator No. 10 Table #3 of Annex 1				115
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Indicators No. 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risks and Table 2: Qualitative information on Social risks	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable – no related activities at Continental
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator No. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable – no related activities at Continental
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Indicator No. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable – no related activities at Continental
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable – no related activities at Continental
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	137
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		137
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator No. 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		133-134
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator No. 5 Table #1 and Indicator No. 5 Table #2 of Annex 1				143
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator No. 5 Table #1 of Annex 1				143

Disclosure requirement and related datapoint	**SFDR reference**	**Pillar 3 reference**	**Benchmark Regulation reference**	**EU Climate Law reference**	**Sustainability report of Continental Page**
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator No. 6 Table #1 of Annex 1				144
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators No. 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		138-142
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator No. 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		143
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	145
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator No. 8 Table #1 of Annex 1, Indicator No. 2 Table #2 of Annex 1, Indicator No. 1 Table #2 of Annex 1, Indicator No. 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources, paragraph 9	Indicator No. 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy, paragraph 13	Indicator No. 8 Table #2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator No. 12 Table #2 of Annex 1				Not material

Disclosure requirement and related datapoint	**SFDR reference**	**Pillar 3 reference**	**Benchmark Regulation reference**	**EU Climate Law reference**	**Sustainability report of Continental Page**
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator No. 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	Indicator No. 6.1 Table #2 of Annex 1				Not material
ESRS 2- SBM-3 – E4, paragraph 16 (a) i	Indicator No. 7 Table #1 of Annex 1				155
ESRS 2- SBM-3– E4, paragraph 16 (b)	Indicator No. 10 Table #2 of Annex 1				155
ESRS 2- SBM-3 – E4, paragraph 16 (c)	Indicator No. 14 Table #2 of Annex 1				155
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	Indicator No. 11 Table #2 of Annex 1				155
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	Indicator No. 12 Table #2 of Annex 1				155
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator No. 15 Table #2 of Annex 1				155-156
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator No. 13 Table #2 of Annex 1				169
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No. 9 Table #1 of Annex 1				169
ESRS 2 SBM3 – S1 Risk of incidents of forced labor, paragraph 14 (f)	Indicator No. 13 Table #3 of Annex 1				172
ESRS 2 SBM3 – S1 Risk of incidents of child labor, paragraph 14 (g)	Indicator No. 12 Table #3 of Annex 1				172
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator No. 9 Table #3 and Indicator No. 11 Table #1 of Annex 1				174
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		174
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator No. 11 Table #3 of Annex 1				173
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator No. 1 Table #3 of Annex 1				178-179
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator No. 5 Table #3 of Annex 1				180

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report of Continental Page
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator No. 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		186-187
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator No. 3 Table #3 of Annex 1				Phase-in of disclosure requirements, therefore no disclosure in the first reporting year
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Indicator No. 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		187
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator No. 8 Table #3 of Annex 1				187
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator No. 7 Table #3 of Annex 1				188
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a)	Indicator No. 10 Table #1 and Indicator No. 14 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		188
ESRS 2 SBM3 – S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	Indicators No. 12 and No. 13 Table #3 of Annex 1				190
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator No. 9 Table #3 of Annex 1 and Indicator No. 11 Table #1 of Annex 1				191
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators No. 11 and No. 4 Table #3 of Annex 1				191
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator No. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		192
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		191-192
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator No. 14 Table #3 of Annex 1				193
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator No. 9 Table #3 of Annex 1 and Indicator No. 11 Table #1 of Annex 1				197
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator No. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		197
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator No. 14 Table #3 of Annex 1				198
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator No. 9 Table #3 and Indicator No. 11 Table #1 of Annex 1				201-203

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability report of Continental Page
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	Indicator No. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		203
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator No. 14 Table #3 of Annex 1				204
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator No. 15 Table #3 of Annex 1				Not material
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	Indicator No. 6 Table #3 of Annex 1				Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator No. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		210
ESRS G1-4 Standards for anti-corruption and anti-bribery, paragraph 24 (b)	Indicator No. 16 Table #3 of Annex I				210

Independent Auditor's Report on the Sustainability Report

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report

To Continental Aktiengesellschaft, Hanover

Assurance conclusion
We have conducted a limited assurance engagement on the group sustainability report of Continental Aktiengesellschaft, Hanover, (hereinafter the "Company") included in section "Sustainability Report" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024 (hereinafter the "Group Sustainability Report"). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Process to identify and assess material impacts, risks, and opportunities (acc. to ESRS 2 IRO-1)" of the Group Sustainability Report, or
- that the disclosures set out in section "Information in Accordance with the EU Taxonomy Regulation" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the assurance conclusion
We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German public auditor's responsibilities for the assurance engagement on the Group Sustainability Report" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report
The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

Inherent limitations in the preparation of the Group Sustainability Report
The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in sections “General Disclosures” and “Disclosures in Accordance with the EU Taxonomy Regulation” of the Group Sustainability Report. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

German public auditor's responsibilities for the assurance engagement on the Group Sustainability Report
Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.

- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the procedures performed by the German public auditor
A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.

- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.

- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.

- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.

- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.

- performed site visits.

- considered the presentation of the information in the Group Sustainability Report.

- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Hanover, 6. March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Dr. Arne Jacobi Wirtschaftsprüfer [German public auditor]	sgd. Nicolette Behncke Wirtschaftsprüfer [German public auditor]

Consolidated Financial Statements

Statement of the Executive Board

The Executive Board of Continental AG is responsible for the preparation, completeness and integrity of the consolidated financial statements and the management report for Continental AG and the Continental Group, as well as for the other information provided in the annual report. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and include any necessary and appropriate estimates. The management report for Continental AG and the Continental Group contains an analysis of the earnings, financial and net assets position of the Continental Group, as well as further information provided in accordance with the provisions of the German Commercial Code *(Handelsgesetzbuch – HGB)*.

An effective internal management and control system is employed to ensure that the information used for the preparation of the consolidated financial statements, including the management report for Continental AG and the Continental Group, as well as for internal reporting, is reliable. This includes standardized guidelines at the corporate level for accounting and risk management in accordance with Section 91 (2) of the German Stock Corporation Act *(Aktiengesetz – AktG)* and an integrated financial control system as part of the Continental Group's value-oriented management, plus audits by Group Audit. The Executive Board is thus in a position to identify significant risks at an early stage and to take countermeasures.

PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Hanover branch, Germany, was engaged as the auditor for fiscal 2024 by the Annual Shareholders' Meeting of Continental AG. The audit mandate was issued by the Audit Committee of the Supervisory Board. PricewaterhouseCoopers audited the consolidated financial statements prepared in accordance with IFRS and the management report for Continental AG and the Continental Group. The auditor will issue the independent auditor's report.

The consolidated financial statements, the management report for Continental AG and the Continental Group, the auditor's report and the risk management system in accordance with Section 91 (2) *AktG* are discussed in detail by the Audit Committee of the Supervisory Board together with the auditor. These documents relating to the annual financial statements and these reports will then be discussed with the entire Supervisory Board, also in the presence of the auditor, at the meeting of the Supervisory Board held to approve the financial statements.

Hanover, February 26, 2025

The Executive Board

Independent Auditor's Report

To Continental Aktiengesellschaft, Hanover

Report on the Audit of the Consolidated Financial Statements and of the Consolidated Management Report

Audit opinions
We have audited the consolidated financial statements of Continental Aktiengesellschaft, Hanover, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, consolidated statement of comprehensive income, consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the consolidated management report of Continental Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2024. In accordance with German legal requirements, we have not audited the content of the parts of the consolidated management report specified in the "Other information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of the International Accounting Standards Board (hereinafter "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB* and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying consolidated management report as a whole provides an appropriate view of the Group's position. In all material respects, this consolidated management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the consolidated management report does not cover the content of the parts of the consolidated management report specified in the "Other information" section.

Pursuant to Section 322 (3) Sentence 1 *HGB*, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the consolidated management report.

Basis for the audit opinions
We conducted our audit of the consolidated financial statements and of the consolidated management report in accordance with Section 317 *HGB* and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the consolidated management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the consolidated management report.

Key audit matters in the audit of the consolidated financial statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- Recoverability of goodwill and non-current assets with finite useful lives
- Accounting treatment of deferred taxes

Our presentation of these key audit matters has been structured in each case as follows:

- Matter and issue
- Audit approach and findings
- Reference to further information

Hereinafter we present the key audit matters:

Recoverability of goodwill and non-current assets with finite useful lives

- Goodwill amounting in total to €3,164.5 million (8.6% of total assets or 21.4% of total equity) and non-current assets with finite useful lives amounting in total to €12,371.4 million (33.5% of total assets or 83.6% of total equity) are reported in the Company's consolidated financial statements. While goodwill must be tested for impairment once a year or when there are indications of impairment, non-current assets with finite useful lives only have to be tested for impairment if there are indications that they may be impaired (triggering events). The impairment test is performed at the level of the cash-generating units. The carrying amount of the relevant cash-generating units (where applicable including goodwill) is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is the higher of fair value less costs of disposal and the value in use. The Company generally determines the recoverable amount using the value in use. The present value of the future cash flows from the respective cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the long-term planning for the cash-generating units adopted by the executive directors forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors, which are currently subject to increased uncertainties, are also taken into account. The discount rate used is the weighted average cost of capital for the respective cash-generating unit. If the value in use falls below the carrying amount of the cash-generating unit, it is assessed whether the fair values less costs of disposal of the assets exceed their carrying amounts. If not, the need for write-downs shall be based on the higher of value in use and fair value less costs of disposal. The impairment test determined that no write-downs were necessary.

  The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

- As part of our audit we assessed the methodology used for the purposes of performing the impairment test, among other things, with the assistance of our internal specialists from Valuation, Modeling & Analytics. After matching the future cash inflows used for the calculation against the long-term planning for the cash-generating units adopted by the executive directors, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of group functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company on the effect of potential changes in revenue, the discount rate and the long-term rate of growth on the recoverable amount. If the value in use fell below the carrying amount of the cash-generating unit, we assessed whether the fair values less costs of disposal of the assets still correctly covered their carrying amounts.

- In addition, we assessed whether the disclosures in the notes relating to the recoverability of goodwill were appropriate and complete.

- Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

- The Company's disclosures on goodwill and on non-current assets with finite useful lives are contained in Notes 2, 13 and 14 of the notes to the consolidated financial statements.

Accounting treatment of deferred taxes

- Deferred tax assets amounting to €2,523.4 million (6.8% of total assets or 17.1% of total equity) after netting are reported in the Company's consolidated financial statements, of which €453.6 million relates to tax loss carryforwards. Before netting with matching deferred tax liabilities, deferred tax assets amounted to €3,844.0 million. These items were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the business plan adopted by the executive directors. No deferred tax assets were recognized in respect of deductible temporary differences, eligible tax credits and unused tax losses amounting in total to €4,387.3 million since it is not probable that they will be utilized for tax purposes by means of offset against taxable profits.

- In our view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

  As part of our audit of the recoverability of deferred tax assets and with the assistance of our specialists from Tax Reporting & Strategy, we assessed, among other things, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses on the basis of internal forecasts of the Company's and its subsidiaries' future earnings situation for tax purposes, and the appropriateness of the underlying estimates and assumptions. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

- The Company's disclosures on deferred taxes are contained in Notes 2 and 19 of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following parts of the consolidated management report, the content of which has not been audited:

- the combined non-financial statement pursuant to Sections 289b to 289e *HGB* and Sections 315b to 315c *HGB* included in the sustainability report of the consolidated management report

- the "Main characteristics of the internal control and risk management system" and "Appropriateness and effectiveness of the internal control system" sections in the report on risks and opportunities of the consolidated management report

The other information comprises further

- the corporate governance statement pursuant to Sections 289f and 315d *HGB*

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited consolidated management report and our auditor's report.

Our audit opinions on the consolidated financial statements and the consolidated management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the consolidated management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the consolidated management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) *HGB* and for ensuring that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the consolidated management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a consolidated management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the consolidated management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the consolidated financial statements and the consolidated management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the consolidated management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the consolidated management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the consolidated management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 *HGB* and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the IDW will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this consolidated management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- Identify and assess the risks of material misstatement in the consolidated financial statements and in the consolidated management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the consolidated management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the Group's internal control or on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the consolidated management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) *HGB*.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or sub-areas within the Group to serve as a basis for formulating audit opinions on the consolidated financial statements and on the consolidated management report. We are responsible for the direction, supervision and review of the audit activities conducted for the purpose of auditing the consolidated financial statements. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the consolidated management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the consolidated management report prepared for publication purposes in accordance with Section 317 (3a) *HGB*

Assurance opinion

We have performed assurance work in accordance with Section 317 (3a) *HGB* to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the consolidated management report (hereinafter the "ESEF documents") contained in the electronic file Continental_AG_KAuKLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) *HGB* for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the consolidated management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the consolidated management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) *HGB* for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying consolidated management report for the financial year from January 1 to December 31, 2024, contained in the report on the audit of the consolidated financial statements and of the consolidated management report above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the consolidated management report contained in the electronic file identified above in accordance with Section 317 (3a) *HGB* and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with Section 317 (3a) *HGB* (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09/2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the consolidated management report in accordance with Section 328 (1) Sentence 4 No. 1 *HGB* and for the tagging of the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 *HGB*.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) *HGB* for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Section 328 (1) *HGB*, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

› Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) *HGB*, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

› Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited consolidated management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation
We were elected as auditor of the consolidated financial statements by the Annual Shareholders' Meeting on April 26, 2024. We were engaged by the Supervisory Board on September 25, 2024. We have been the auditor of the consolidated financial statements of Continental Aktiengesellschaft, Hanover, without interruption since the 2021 financial year.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to Another Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited consolidated management report as well as the assured ESEF documents. The consolidated financial statements and the consolidated management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited consolidated management report and do not take their place. In particular, the report on the assurance on the electronic rendering of the consolidated financial statements and the consolidated management report prepared for publication purposes in accordance with Section 317 (3a) *HGB* and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement
The German public auditor responsible for the engagement is Dr. Arne Jacobi.

Hanover, March 6, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Wimmer	Dr. Arne Jacobi
Wirtschaftsprüfer	*Wirtschaftsprüfer*
German Public Auditor	German Public Auditor

Consolidated Statement of Income

€ millions	See Note	**2024**	2023
Sales	6	**39,719**	**41,421**
Cost of sales		-30,918	-32,613
Gross margin on sales		**8,800**	**8,808**
Research and development expenses	7	-4,099	-4,126
Selling and logistics expenses		-2,580	-2,528
Administrative expenses		-1,270	-1,355
Other income	8	2,054	1,837
Other expenses	8	-650	-829
Income from equity-accounted investees	10	32	45
Other income from investments	10	0	1
EBIT		**2,287**	**1,854**
Interest income	11	103	103
Interest expense	11	-449	-419
Effects from currency translation	11	-2	79
Effects from changes in the fair value of derivative instruments, and other valuation effects	11	-51	1
Financial result	11	**-398**	**-236**
Earnings before tax		**1,888**	**1,618**
Income tax expense	12	-689	-424
Net income		**1,200**	**1,194**
Non-controlling interests		-32	-37
Net income attributable to the shareholders of the parent		1,168	1,156
Basic earnings per share in €	38	5.84	5.78
Diluted earnings per share in €	38	5.84	5.78

Consolidated Statement of Comprehensive Income

€ millions	**2024**	2023
Net income	**1,200**	**1,194**
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans[1]	146	–324
Fair value adjustments[1]	167	–333
Investment in equity-accounted investees[2]	0	0
Currency translation[1]	–20	10
Other investments	–7	–65
Fair value adjustments[1]	–5	–65
Investment in equity-accounted investees[2]	–1	0
Currency translation[1]	–1	1
Tax on other comprehensive income	–53	107
Items that may be reclassified subsequently to profit or loss		
Currency translation[1]	–131	–196
Effects from currency translation[1]	–106	–272
Reclassification adjustments to profit or loss	–24	75
Investment in equity-accounted investees[2]	–1	0
Tax on other comprehensive income	–4	–1
Other comprehensive income	**–48**	**–478**
Comprehensive income	**1,152**	**716**
Attributable to non-controlling interests	–36	0
Attributable to the shareholders of the parent	1,116	716

1 Including non-controlling interests.
2 Including taxes.

Consolidated Statement of Financial Position

Assets

€ millions	See Note	**Dec. 31, 2024**	Dec. 31, 2023
Goodwill	13	3,165	3,187
Other intangible assets	13	619	820
Property, plant and equipment	14, 15	11,798	11,722
Investment property	16	11	11
Investments in equity-accounted investees	17	326	299
Other investments	18	108	118
Deferred tax assets	19	2,523	2,512
Defined benefit assets	28	114	111
Long-term derivative instruments and interest-bearing investments	32	81	89
Long-term other financial assets	20	252	272
Long-term other assets	21	19	24
Non-current assets		**19,016**	**19,165**
Inventories	22	6,113	6,276
Trade accounts receivable	23	7,104	7,569
Short-term contract assets		128	103
Short-term other financial assets	20	128	136
Short-term other assets	21	1,077	1,144
Income tax receivables		285	305
Short-term derivative instruments and interest-bearing investments	32	151	120
Cash and cash equivalents	24	2,966	2,923
Assets held for sale	25	–	11
Current assets		**17,950**	**18,588**
Total assets		**36,966**	**37,753**

Equity and liabilities

€ millions	See Note	Dec. 31, 2024	Dec. 31, 2023
Subscribed capital		512	512
Capital reserves		4,156	4,156
Retained earnings		11,485	10,767
Other comprehensive income		–1,801	–1,759
Equity attributable to the shareholders of the parent		**14,351**	**13,676**
Non-controlling interests		447	449
Total equity	26	**14,798**	**14,125**
Long-term employee benefits	28	3,116	3,148
Deferred tax liabilities	19	97	72
Long-term provisions for other risks and obligations	29	522	703
Long-term indebtedness[1]	31	4,112	4,528
Long-term other financial liabilities	33	8	8
Long-term contract liabilities		22	6
Long-term other liabilities	35	23	28
Non-current liabilities[1]		**7,899**	**8,494**
Short-term employee benefits	28	1,380	1,391
Trade accounts payable	34	6,471	6,875
Short-term contract liabilities		198	195
Income tax payables	30	531	541
Short-term provisions for other risks and obligations	29	964	1,081
Short-term indebtedness[1]	31	2,797	2,642
Short-term other financial liabilities	33	1,249	1,670
Short-term other liabilities	35	679	739
Current liabilities[1]		**14,269**	**15,134**
Total equity and liabilities		**36,966**	**37,753**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

Consolidated Statement of Cash Flows

€ millions	See Note	**2024**	2023
Net income		**1,200**	**1,194**
Income tax expense	12	689	424
Financial result	11	398	236
EBIT		**2,287**	**1,854**
Interest paid		-346	-279
Interest received		107	116
Income tax paid	12, 30	-785	-725
Dividends received		41	46
Depreciation, amortization, impairment and reversal of impairment losses	8, 13, 14, 15	2,211	2,225
Income from equity-accounted investees and other investments, incl. impairment and reversal of impairment losses	10, 17	-32	-46
Gains/losses from the disposal of assets, companies and business operations		-27	44
Changes in			
inventories	22	131	378
trade accounts receivable	23	460	51
trade accounts payable	34	-368	-693
employee benefits and other provisions	28, 29	-270	333
other assets and liabilities[1] as well as other non-cash effects		-474	26
Cash flow arising from operating activities		**2,934**	**3,328**
Capital expenditure on property, plant and equipment, and software	13, 14	-1,938	-2,124
Capital expenditure on intangible assets from development projects and miscellaneous	13, 14	-16	-18
Disposal of property, plant and equipment, and intangible assets	13	72	107
Acquisition of companies and business operations	5	-13	-175
Disposal of companies and business operations	5	74	42
Cash flow arising from investing activities		**-1,821**	**-2,169**
Cash flow before financing activities (free cash flow)		**1,114**	**1,159**
Issuance of bonds	31	600	1,250
Redemption of bonds	31	-725	-1,250
Repayment of lease liabilities	31	-318	-307
Change in other indebtedness	31	-133	-452
Change in derivative instruments and interest-bearing investments	31	-30	-27
Other cash changes		0	-20
Dividends paid		-440	-300
Dividends paid to and cash changes from equity transactions with non-controlling interests		-25	-24
Cash flow arising from financing activities		**-1,072**	**-1,129**
Change in cash and cash equivalents		**42**	**30**
Cash and cash equivalents at the beginning of the reporting period		2,923	2,988
Disposal of cash and cash equivalents through changes in the scope of consolidation		-3	–
Effect of exchange-rate changes on cash and cash equivalents		3	-94
Cash and cash equivalents at the end of the reporting period	24	**2,966**	**2,923**

1 Mainly includes the cash outflow from the payment of €476 million for the shares in ContiTech AG (now operating under the name ContiTech Deutschland GmbH) acquired in 2022. The addition to plan assets in 2022, which was netted with the associated obligations to employees, was offset by a liability that was paid out in the first half of 2024 (please refer to Notes 29 and 34 to the consolidated financial statements in the 2022 annual report). As changes in employee benefits are allocated to cash flow arising from operating activities in the statement of cash flows, the payment of the liability was also allocated to this item and presented in changes to other assets and liabilities and other non-cash effects.

Consolidated Statement of Changes in Equity

					Difference from					
€ millions	Subscribed capital[1]	Capital reserves	Retained earnings	Successive purchases[2]	remeasurement of defined benefit plans	currency translation[3]	financial instruments[4]	Total	Non-controlling interests	**Total**
As at January 1, 2023	**512**	**4,156**	**9,911**	**-312**	**-774**	**-296**	**63**	**13,259**	**476**	**13,735**
Net income	–	–	1,156	–	–	–	–	1,156	37	**1,194**
Other comprehensive income	–	–	–	–	-219	-160	-62	-441	-37	**-478**
Net profit for the period	**–**	**–**	**1,156**	**–**	**-219**	**-160**	**-62**	**716**	**0**	**716**
Dividends paid/resolved	–	–	-300	–	–	–	–	-300	-24	**-324**
Successive purchases	–	–	–	1	–	–	–	1	-1	**0**
Other changes[5]	–	–	–	0	–	–	–	0	-2	**-2**
As at December 31, 2023	**512**	**4,156**	**10,767**	**-311**	**-993**	**-456**	**1**	**13,676**	**449**	**14,125**
Net income	–	–	1,168	–	–	–	–	1,168	32	**1,200**
Other comprehensive income	–	–	–	–	95	-138	-9	-52	4	**-48**
Net profit for the period	**–**	**–**	**1,168**	**–**	**95**	**-138**	**-9**	**1,116**	**36**	**1,152**
Dividends paid/resolved	–	–	-440	–	–	–	–	-440	-39	**-479**
Successive purchases	–	–	–	0	–	–	–	0	0	**0**
Other changes[5, 6]	–	–	-10	-1	–	–	10	-1	2	**1**
As at December 31, 2024	**512**	**4,156**	**11,485**	**-312**	**-898**	**-594**	**2**	**14,351**	**447**	**14,798**

1 Divided into 200,005,983 (PY: 200,005,983) outstanding shares with dividend and voting rights.
2 Includes an amount of -€1 million (PY: €1 million) relating to effects from the first-time consolidation of previously non-consolidated subsidiaries.
3 Includes shareholder's portion of -€1 million (PY: €0 million) in the currency translation of equity-accounted investees.
4 The change in the difference arising from financial instruments, including deferred taxes, was due to other investments of -€9 million (PY: -€62 million).
5 Other changes in non-controlling interests due to changes in the scope of consolidation and capital increases.
6 Due to the change in consolidation method of another investment to an equity-accounted investee, the associated cumulative gain or loss stated in other comprehensive income of -€10 million was reclassified to revenue reserves.

Notes to the Consolidated Financial Statements

1. Segment Reporting

In accordance with the provisions of IFRS 8, *Operating Segments*, Continental AG's segment reporting is based on the management approach with regard to segment identification, under which information regularly provided to the chief operating decision-maker for decision-making purposes is considered decisive.

The activities of the Continental Group are divided into the following segments:

Automotive offers technologies for safety, brake, chassis, motion and motion-control systems. Its portfolio also includes innovative solutions for assisted and automated driving, display and operating technologies, camera solutions for the vehicle interior as well as intelligent information and communication technology associated with the mobility services of fleet operators and commercial vehicle manufacturers. Comprehensive activities relating to vehicle connectivity, architecture and electronics, as well as high-performance computers and software solutions, round off the range of products and services.

Tires offers a premium portfolio of innovative tire solutions for the passenger car, truck, bus, two-wheeler and specialty segment, as well as intelligent products and services related to tires and the promotion of sustainability. For specialist dealers and fleet managers, Tires provides digital tire monitoring and tire management systems, in addition to other services, which keep fleets mobile and increase their efficiency. With its tires, the segment contributes to safe, efficient and environmentally friendly mobility.

ContiTech draws on its materials expertise to develop solutions for industrial applications made from rubber, metal and textiles. Its broad portfolio of hoses, conveyor belts, air springs and drive belts is designed for the operating conditions in industrial environments, which can be challenging. At the same time, ContiTech offers surface materials with an appealing look and feel for home and vehicle interiors. ContiTech's industrial growth areas are primarily in energy, mining, agriculture and construction, as well as exterior and interior design.

The contract manufacturing of products by Continental companies for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is consolidated in **Contract Manufacturing**. This contract manufacturing is not intended to be a permanent situation; rather, the operational separation of production will continue to be promoted and the volume of contract manufacturing reduced.

These segments correspond to the group sectors as defined in the Structure of the Continental Group section of the consolidated management report.

Other/holding/consolidation
This comprises centrally managed subsidiaries and affiliates, such as holding, financing and insurance companies, as well as the holding function of Continental AG and certain effects of consolidation. It also contains the effects on earnings of uncertain risks, particularly those in connection with contractual and similar claims or obligations representing, among other things, risks from investments that cannot currently be assigned to the individual operating units.

Internal control and reporting within the Continental Group are based on International Financial Reporting Standards (IFRS) as described in Note 2. The Continental Group measures the performance of its segments on the basis of their adjusted operating result (adjusted EBIT). Their performance is expressed as the return on sales (adjusted EBIT divided by adjusted sales) and as the return on capital employed (ROCE), which represents EBIT as a percentage of average operating assets. Intersegment sales and other proceeds are determined at arm's length prices. For administrative services performed by centrally operated companies or by the Continental Group's management, costs are calculated on an arm's length basis in line with utilization. Where direct allocation is not possible, costs are assigned according to the services performed.

The segment assets comprise the operating assets of the assets side of the statement of financial position as at the end of the reporting period. The segment liabilities show the operating asset parts on the liabilities side of the statement of financial position.

Capital expenditure relates to additions to property, plant and equipment, and software, as well as additions to capitalized right-of-use assets in line with IFRS 16, *Leases*, and additions to capitalized borrowing costs in line with IAS 23, *Borrowing Costs*. Depreciation and amortization include the scheduled diminution of and the impairment on intangible assets, property, plant and equipment, capitalized right-of-use assets and investment properties as well as the impairment on goodwill. This figure does not include impairment on financial investments.

Non-cash expenses/income mainly include additions to and reversals of pension and warranty provisions as well as provisions for litigation and environmental risks.

In the segment information broken down by country and region, sales are allocated on the basis of the domicile of the respective customers; in contrast, capital expenditure and segment assets are allocated on the basis of the domicile of the respective companies.

Viewed across all segments, Continental recorded sales totaling €4,671 million (PY: €4,707 million) with a group of companies under common control in the year under review.

In 2024, the Continental Group generated 20% of its sales in the USA (PY: 21%), 20% in Germany (PY: 19%) and 11% in China (PY: 11%). Other than these countries, there were no countries in which more than 10% of sales were achieved, as was also the case in the previous year.

A summary of research and development expenses by segment is included in Note 7.

Segment report for 2024

€ millions	**Automotive**	**Tires**	**ContiTech**	**Contract Manufacturing**	**Other/ Holding/ Consolidation**	**Continental Group**
External sales	19,405	13,768	6,308	238	–	39,719
Intercompany sales	11	93	78	0	-183	–
Sales (total)	**19,416**	**13,861**	**6,386**	**239**	**-183**	**39,719**
Cost of sales[1]	15,928	9,762	5,180	233	-185	30,918
EBIT (segment result)	229	1,870	261	15	-88	2,287
in % of sales	1.2	13.5	4.1	6.3	–	5.8
thereof income from equity-accounted investees	26	5	0	–	0	32
Depreciation and amortization[2]	1,094	792	301	11	12	2,211
thereof impairment[3]	30	2	5	0	–	37
Capital expenditure[4]	951	996	240	4	13	2,204
in % of sales	4.9	7.2	3.8	1.7	–	5.5
Internally generated intangible assets	16	–	–	–	–	16
Significant non-cash expenses/income	-186	-40	-40	-1	-3	-271
Segment assets	14,798	10,796	4,401	120	365	30,480
thereof investments in equity-accounted investees	211	80	23	–	12	326
Segment liabilities	6,195	3,420	1,344	66	89	11,115
Operating assets as at December 31	8,603	7,376	3,057	54	276	19,365
Operating assets (average)	8,960	7,516	3,183	120	200	19,980
ROCE in %	2.6	24.9	8.2	12.6	–	11.4
Number of employees as at December 31[5]	92,581	57,060	39,211	772	535	190,159
Adjusted sales[6]	19,416	13,861	6,345	239	-183	39,678
Adjusted operating result (adjusted EBIT)[7]	454	1,902	393	7	-62	2,694
in % of adjusted sales	2.3	13.7	6.2	2.9	–	6.8

1 The additional disclosure of cost of sales results from the clarification of the term "material" in relation to the disclosure of income and expenses in segment reporting by the agenda decision of the IFRS IC of June 2024, Disclosure of Revenues and Expenses for Reportable Segments.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses.
4 Capital expenditure on property, plant and equipment, and software.
5 Excluding trainees.
6 Before changes in the scope of consolidation.
7 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Segment report for 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
External sales	20,288	13,856	6,766	511	–	41,421
Intercompany sales	7	102	76	1	-187	–
Sales (total)	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Cost of sales[1]	16,776	9,925	5,585	514	-188	32,613
EBIT (segment result)	-57	1,743	380	5	-217	1,854
in % of sales	-0.3	12.5	5.6	1.0	–	4.5
thereof income from equity-accounted investees	37	7	1	–	1	45
Depreciation and amortization[2]	1,039	843	313	24	6	2,225
thereof impairment[3]	13	42	2	0	–	57
Capital expenditure[4]	1,226	967	210	7	28	2,437
in % of sales	6.0	6.9	3.1	1.3	–	5.9
Internally generated intangible assets	18	–	–	–	–	18
Significant non-cash expenses/income	-81	1	-27	-4	2	-110
Segment assets	15,609	10,277	4,557	536	310	31,288
thereof investments in equity-accounted investees	183	81	23	–	12	299
Segment liabilities	6,765	3,202	1,431	141	199	11,737
Operating assets as at December 31	8,844	7,075	3,125	396	111	19,550
Operating assets (average)	9,221	7,596	3,284	460	152	20,714
ROCE in %	-0.6	22.9	11.6	1.1	–	8.9
Number of employees as at December 31[5]	102,413	56,349	41,949	1,478	574	202,763
Adjusted sales[6]	20,287	13,920	6,841	512	-187	41,373
Adjusted operating result (adjusted EBIT)[7]	401	1,877	455	8	-214	2,526
in % of adjusted sales	2.0	13.5	6.7	1.6	–	6.1

1 The additional disclosure of cost of sales results from the clarification of the term "material" in relation to the disclosure of income and expenses in segment reporting by the agenda decision of the IFRS IC of June 2024, Disclosure of Revenues and Expenses for Reportable Segments.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses.
4 Capital expenditure on property, plant and equipment, and software.
5 Excluding trainees.
6 Before changes in the scope of consolidation.
7 Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	**19,416**	**13,861**	**6,386**	**239**	**–183**	**39,719**
Changes in the scope of consolidation[1]	–	–	–40	–	–	–40
Adjusted sales	**19,416**	**13,861**	**6,345**	**239**	**–183**	**39,678**
EBITDA	**1,323**	**2,663**	**562**	**26**	**–76**	**4,498**
Depreciation and amortization[2]	–1,094	–792	–301	–11	–12	–2,211
EBIT	**229**	**1,870**	**261**	**15**	**–88**	**2,287**
Amortization of intangible assets from purchase price allocation (PPA)	55	6	48	–	–	109
Changes in the scope of consolidation[1]	–	–1	–1	–	–	–1
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	29	0	1	0	–	30
Restructuring[4]	80	–5	11	–8	–	78
Restructuring-related expenses	22	21	2	0	–	45
Severance payments	29	10	41	0	–1	79
Gains and losses from disposals of companies and business operations[5]	–7	3	–	–	–	–4
Other[6]	16	–1	29	–	28	72
Adjusted operating result (adjusted EBIT)	**454**	**1,902**	**393**	**7**	**–62**	**2,694**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €7 million (Automotive €2 million; Tires €2 million, ContiTech €3 million).
5 Includes expenses of €12 million in connection with the sale of certain operations in the Autonomous Mobility business area and income of €19 million due to loss of control over a participation and the subsequent change in consolidation method from the full consolidation to the equity method in the Automotive segment.
6 Mainly includes expenses in connection with the planned spin-off of the Automotive and Contract Manufacturing segments and the plans to make the User Experience and Original Equipment Solutions business areas organizationally independent.

Reconciliation of sales to adjusted sales and of EBITDA to adjusted operating result (adjusted EBIT) in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Sales	**20,295**	**13,958**	**6,842**	**512**	**-187**	**41,421**
Changes in the scope of consolidation[1]	-9	-38	0	–	–	-47
Adjusted sales	**20,287**	**13,920**	**6,841**	**512**	**-187**	**41,373**
EBITDA	**982**	**2,586**	**693**	**29**	**-211**	**4,079**
Depreciation and amortization[2]	-1,039	-843	-313	-24	-6	-2,225
EBIT	**-57**	**1,743**	**380**	**5**	**-217**	**1,854**
Amortization of intangible assets from purchase price allocation (PPA)	58	6	53	–	–	118
Changes in the scope of consolidation[1]	13	-10	1	–	0	3
Special effects						
Impairment on goodwill	–	–	–	–	–	–
Impairment[3]	13	27	1	0	–	41
Restructuring[4]	311	-18	1	2	–	295
Restructuring-related expenses	16	29	2	–	–	47
Severance payments	23	16	17	0	2	58
Gains and losses from disposals of companies and business operations	25	73	-6	0	–	91
Other[5]	–	12	6	–	–	18
Adjusted operating result (adjusted EBIT)	**401**	**1,877**	**455**	**8**	**-214**	**2,526**

1 Changes in the scope of consolidation include additions and disposals as part of share and asset deals. Adjustments are made for additions in the reporting year and for disposals in the comparative period of the prior year.
2 Excluding impairment on financial investments.
3 Impairment also includes necessary reversals of impairment losses. It does not include impairment that arose in connection with a restructuring and impairment on financial investments and goodwill.
4 Includes restructuring-related impairment losses totaling €18 million (Tires €17 million; ContiTech €0 million) and a reversal of impairment losses of €2 million in the Tires segment.
5 Mainly includes loss allowances on accounts receivable, write-downs on inventories as well as debt waivers from the sale of all Russian operations in the Tires segment and some operations in the ContiTech segment in Russia.

Reconciliation of EBIT to net income

€ millions	2024	2023
Automotive	229	-57
Tires	1,870	1,743
ContiTech	261	380
Contract Manufacturing	15	5
Other/Holding/Consolidation	-88	-217
EBIT	**2,287**	**1,854**
Financial result	-398	-236
Earnings before tax	**1,888**	**1,618**
Income tax expense	-689	-424
Net income	**1,200**	**1,194**
Non-controlling interests	-32	-37
Net income attributable to the shareholders of the parent	**1,168**	**1,156**

Segment report by region

€ millions	Germany	Europe excluding Germany	North America	Asia-Pacific	Other countries	Continental Group
External sales 2024	**7,772**	**11,781**	**10,274**	**8,248**	**1,644**	**39,719**
External sales 2023	7,899	12,178	11,040	8,581	1,723	41,421
Capital expenditure 2024[1]	**302**	**879**	**481**	**454**	**89**	**2,204**
Capital expenditure 2023[1]	402	933	478	548	76	2,437
Segment assets as at December 31, 2024	**7,187**	**9,082**	**7,282**	**6,649**	**279**	**30,480**
Segment assets as at December 31, 2023	7,642	9,300	7,650	6,407	288	31,288
Number of employees as at December 31, 2024[2]	**40,111**	**66,415**	**34,431**	**39,927**	**9,275**	**190,159**
thereof direct employees[2]	14,432	37,720	23,316	18,429	6,864	100,761
thereof indirect employees[2]	25,679	28,695	11,115	21,498	2,411	89,398
Number of employees as at December 31, 2023[2]	43,934	69,123	39,297	41,418	8,991	202,763
thereof direct employees[2]	16,073	39,187	26,271	18,628	6,538	106,697
thereof indirect employees[2]	27,861	29,936	13,026	22,790	2,453	96,066

1 Capital expenditure on property, plant and equipment, and software.
2 Excluding trainees.

Reconciliation to operating assets in 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**14,692**	**10,824**	**4,419**	**120**	**6,910**	**36,966**
Cash and cash equivalents	–	–	–	–	2,966	2,966
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	231	231
Other financial assets	39	36	11	0	21	106
Less financial assets	**39**	**36**	**11**	**0**	**3,218**	**3,303**
Less other non-operating assets	**-145**	**-7**	**7**	**0**	**519**	**375**
Deferred tax assets	–	–	–	–	2,523	2,523
Income tax receivables	–	–	–	–	285	285
Less income tax assets	**–**	**–**	**–**	**–**	**2,808**	**2,808**
Segment assets	**14,798**	**10,796**	**4,401**	**120**	**365**	**30,480**
Total liabilities and provisions	**7,866**	**4,138**	**1,893**	**94**	**8,177**	**22,168**
Short- and long-term indebtedness	–	–	–	–	6,909	6,909
Other financial liabilities	–	–	–	–	20	20
Less financial liabilities	**–**	**–**	**–**	**–**	**6,929**	**6,929**
Deferred tax liabilities	–	–	–	–	97	97
Income tax payables	–	–	–	–	531	531
Less income tax liabilities	**–**	**–**	**–**	**–**	**628**	**628**
Less other non-operating liabilities	**1,670**	**718**	**549**	**28**	**531**	**3,496**
Segment liabilities	**6,195**	**3,420**	**1,344**	**66**	**89**	**11,115**
Operating assets	**8,603**	**7,376**	**3,057**	**54**	**276**	**19,365**

Reconciliation to operating assets in 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Total assets	**15,519**	**10,314**	**4,582**	**537**	**6,800**	**37,753**
Cash and cash equivalents	–	–	–	–	2,923	2,923
Short- and long-term derivative instruments, interest-bearing investments	–	–	–	–	209	209
Other financial assets	48	33	19	0	19	120
Less financial assets	**48**	**33**	**19**	**0**	**3,151**	**3,252**
Less other non-operating assets	**-138**	**5**	**7**	**0**	**522**	**396**
Deferred tax assets	–	–	–	–	2,512	2,512
Income tax receivables	–	–	–	–	305	305
Less income tax assets	**–**	**–**	**–**	**–**	**2,817**	**2,817**
Segment assets	**15,609**	**10,277**	**4,557**	**536**	**310**	**31,288**
Total liabilities and provisions	**8,482**	**3,902**	**2,008**	**178**	**9,058**	**23,628**
Short- and long-term indebtedness	–	–	–	–	7,170	7,170
Other financial liabilities	–	–	–	–	510	510
Less financial liabilities	**–**	**–**	**–**	**–**	**7,680**	**7,680**
Deferred tax liabilities	–	–	–	–	72	72
Income tax payables	–	–	–	–	541	541
Less income tax liabilities	**–**	**–**	**–**	**–**	**613**	**613**
Less other non-operating liabilities	**1,718**	**700**	**576**	**37**	**566**	**3,597**
Segment liabilities	**6,765**	**3,202**	**1,431**	**141**	**199**	**11,737**
Operating assets	**8,844**	**7,075**	**3,125**	**396**	**111**	**19,550**

2. General Information and Accounting Principles

Continental Aktiengesellschaft (Continental AG), whose registered office is Continental-Plaza 1, Hanover, Germany, is the parent company of the Continental Group and a listed stock corporation. It is entered in the commercial register of the Hanover Local Court *(Amtsgericht)* under HR B 3527. The Continental Group is a supplier to the automotive industry, with worldwide operations. The areas of business and main activities in which the Continental Group is engaged are described in more detail in the Segment Reporting section. The consolidated financial statements of Continental AG for fiscal 2024 were prepared by resolution of the Executive Board of February 26, 2025, and will be submitted to and published in the German Federal Gazette *(Bundesanzeiger)*. Continental AG is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, which are published in the German Federal Gazette.

The consolidated financial statements of Continental AG as at December 31, 2024, have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, pursuant to EU Regulation (EC) No. 1606/2002 in conjunction with Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB)*. The term IFRS also includes the International Accounting Standards (IAS), the interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRS IC) or its predecessor the International Financial Reporting Interpretations Committee (IFRIC), and those of the former Standing Interpretations Committee (SIC). All International Financial Reporting Standards mandatory for fiscal 2024 have been applied, subject to endorsement by the European Union.

The consolidated financial statements have been prepared on the basis of historical cost, with the exception of certain financial assets and liabilities (including derivative instruments), which are measured at fair value; assets held for sale, which are measured at the lower of their carrying amount and fair value less costs to sell (or costs to distribute); and defined benefit pension plans, for which the plan assets are measured at fair value.

The annual financial statements of companies included in the Continental Group have been prepared using uniform accounting policies, in accordance with IFRS 10, *Consolidated Financial Statements*. The reporting date for the individual financial statements of companies included in the Continental Group is the same as the reporting date for the consolidated financial statements.

The consolidated financial statements have been prepared in euros. Unless otherwise stated, all amounts are shown in millions of euros (€ millions). Please note that differences may arise as a result of the use of rounded amounts and percentages.

Companies consolidated

All major subsidiaries that Continental AG controls in accordance with the provisions of IFRS 10 have been included in the consolidated financial statements and are fully consolidated. To meet this definition, Continental AG must have the decision-making power to control the relevant activities and a right to variable returns from the associated company. Furthermore, it must be able to use its decision-making power to determine the amount of these returns. The companies consolidated may therefore also include companies that are controlled by Continental AG irrespective of the share of voting rights by way of other substantial rights such as contractual agreements, as is the case with structured units included in the consolidated financial statements.

The consolidation of subsidiaries is based on the acquisition method by offsetting the acquisition cost against the proportion of net assets attributed to the parent company at fair value at the acquisition date. Intangible assets not previously recognized in the separate financial statements of the acquired company are carried at fair value. Intangible assets identified in the course of a business combination – including, for example, brand names, patents, technology, customer relationships and order backlogs – are recognized separately at the acquisition date only if the requirements under IAS 38, *Intangible Assets*, for an intangible asset are met. Measurement at the acquisition date is usually provisional only. Increases or reductions of assets and liabilities that become necessary within 12 months after the acquisition are made retrospectively as at the acquisition date. Significant adjustments are presented in the notes to the financial statements.

Any positive remaining amount is capitalized as goodwill. The share of non-controlling interests is measured using the share of (remeasured) net assets of the subsidiary. In order to ensure the recoverability of goodwill arising from an as yet incomplete measurement and the corresponding purchase price allocation, the goodwill is allocated provisionally to the affected cash-generating units (CGUs) as at the end of the reporting period. This provisional allocation can deviate significantly from the final allocation. Any negative difference that arises is recognized in other income after the fair value of the acquired assets and liabilities has again been reviewed.

Non-controlling interests in the net assets of subsidiaries that are not attributable to the Continental Group are shown under “Non-controlling interests” as a separate component of total equity.

Once control has been obtained, any differences arising from successive purchases of shares from non-controlling interests between the purchase price and the carrying amount of those non-controlling interests are recognized in other comprehensive income.

Where there are successive purchases of shares resulting in control, the difference between the carrying amount and the fair value at the time of first-time consolidation for those shares already held is recognized in profit or loss under other income and expenses.

Significant investments where Continental AG can exert significant influence on the associated companies (associates) are accounted for using the equity method. The carrying amount of these associates is adjusted to reflect the share in the associates' net equity. If the financial statements of the associates are not available, the share of earnings or losses is recognized as necessary based on estimated amounts. Goodwill arising from first-time consolidation is reported using the equity method. Goodwill is not amortized, but the carrying amount of investments in associates consolidated using the equity method is tested for impairment if there are relevant indications.

Joint ventures are accounted for in the same way as associates.

Companies that are dormant or have only a low level of business activity and therefore no significant impact on the earnings, financial and net assets position of the Continental Group are not included in the consolidated financial statements. These are accounted for as other investments at fair value (FVOCI).

Intercompany receivables and payables, in addition to income and expenses, are eliminated on consolidation. Intercompany profits arising from internal transactions and dividend payments made within the Continental Group are eliminated on consolidation. Deferred taxes on the elimination of intercompany transactions are carried in the amount derived from the average income tax rate for the Continental Group.

Currency translation

The statements of financial position of foreign subsidiaries with a functional currency other than the euro are translated into euros using the middle rate at the end of the reporting period (closing rate). The income statements are translated at the average exchange rate for the year. Differences resulting from currency translation are recognized in the difference from currency translation in equity until the disposal of the subsidiary, without recognizing deferred taxes.

In the separate financial statements of Continental AG and its subsidiaries, foreign-currency receivables and payables are measured on recognition at the transaction rate and adjusted at the end of the reporting period to the related closing rates. Gains and losses arising on currency translation are recognized in profit or loss, except for certain loans.

Goodwill is recognized directly as an asset of the subsidiary acquired and therefore also translated into euros for subsidiaries whose functional currencies are not the euro at the end of the reporting period using the middle rate (closing rate). Differences resulting from currency translation are recognized in the difference from currency translation in equity.

The following table summarizes the exchange rates used in currency translation that had a material effect on the consolidated financial statements:

Currencies		Closing rate		Average rate for the year	
€1 in		**Dec. 31, 2024**	Dec. 31, 2023	**2024**	2023
Brazil	BRL	6.43	5.37	5.83	5.40
Switzerland	CHF	0.94	0.93	0.95	0.97
China	CNY	7.60	7.87	7.79	7.66
Czech Republic	CZK	25.16	24.71	25.12	24.01
United Kingdom	GBP	0.83	0.87	0.85	0.87
Hungary	HUF	410.86	382.78	395.41	381.77
Japan	JPY	163.34	156.81	163.81	151.99
South Korea	KRW	1,534.34	1,428.58	1,475.17	1,413.09
Mexico	MXN	21.59	18.78	19.82	19.19
Malaysia	MYR	4.66	5.08	4.95	4.93
Philippines	PHP	60.39	61.28	61.98	60.17
Romania	RON	4.97	4.97	4.97	4.95
USA	USD	1.04	1.11	1.08	1.08
South Africa	ZAR	19.59	20.48	19.83	19.96

Revenue recognition
Only sales of products and services resulting from the ordinary business activities of the company are shown as sales revenue.

In accordance with IFRS 15, *Revenue from Contracts with Customers*, Continental recognizes as revenue from contracts with customers the amount that is received as consideration for the transfer of goods or services to customers. The relevant point in time or period of time is the transfer of control of the goods or services to the customer (control approach).

To determine when to recognize revenue and at what amount, the five-step model is applied. By applying the five-step model in the Continental Group to contracts with customers, distinct performance obligations are identified. The transaction price is determined – and allocated to the performance obligations – according to the requirements of IFRS 15. Variable consideration in contracts with customers, such as rebates, bonus agreements or other kinds of price concessions, is analyzed, measured and included in the revenue recognition. The allocation of the transaction price in the case of more than one performance obligation at hand would be performed by using observable prices if possible. Otherwise the allocation would be performed using the adjusted market assessment approach or the approach of cost plus a margin. For every performance obligation that, in accordance with IFRS 15, is distinct within the context of the contract, the revenue recognition is determined to be at a point in time or to be satisfied over time.

Multi-component contracts that contain distinct performance obligations with different timing of revenue recognition are not currently material.

Description of sales revenue in automotive original-equipment business
The type of performance obligations to customers in automotive original-equipment business relates to the diverse and predominantly customer-specific products of the Automotive, Contract Manufacturing, and ContiTech segments, and the original-equipment business of the Tires segment; please refer to the information provided on the group sectors in the Structure of the Continental Group section of the consolidated management report. Invoices are generally prepared once a month, while the payment terms average 60 days and differ mostly depending on the region and/or product group. Payments are made by bank transfer in the vast majority of cases. No significant discounts on the invoice amount are granted; however, customer bonuses and other price reductions are included in the transaction price as variable price components in line with expectations. The customers do not usually make any significant advance payments. Revenue is almost always recognized over time using an output-based measurement method, and sales revenue is measured based on the products that leave the production plant, as the products are produced and delivered "just in time." There are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

Description of sales revenue in industrial and replacement business
The type of performance obligations to customers in industrial and replacement business relates to the replacement-tire and retail business of the Tires segment, the industrial and retail business of the ContiTech segment, and the replacement-parts and retail business of the Automotive and Contract Manufacturing segments; please refer to the information provided on the group sectors in the Structure of the Continental Group section of the consolidated management report. Invoices are generally prepared once a month, while the payment terms for most of the sales average 60 days and differ mostly depending on the region and/or product group. Payments are made by bank transfer in the vast majority of cases, with the exception of business with end customers and consumers, who often pay in cash or by card. No significant discounts on the invoice amount are granted; however, customer bonuses and other price reductions are included in the transaction price as variable price components in line with expectations. The customers do not usually make any significant advance payments. Revenue is recognized at the point in time when control is transferred to the customer, taking into account the agreed incoterms. There are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

Description of revenue in other business activities
Revenue in other business activities is included in the sales of the automotive original-equipment business, in the sales of the industrial and replacement business, and in other revenues. On the one hand, services are provided and, on the other, project business is conducted in which developments for customers are made, goods produced or services provided over a medium-term or longer period. For this revenue, there are no significant obligations from the right of customers to return products, or from reimbursements to customers or similar obligations, or from warranty commitments that include a service component.

The largest component of this revenue relates to revenue from research and development, which is recognized at a point in time, either when the entire development is completed or when identifiable milestones within a development are reached. Invoices are generally prepared after completion of a milestone or an entire development and acceptance by the customer. Payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted. The customers do not usually make any significant advance payments.

In addition, services that are performed alongside the main business also lead to revenue recognition over time, though in smaller amounts. Both input- and output-based measurement methods are used and sales are measured either based on the hours or days worked or the costs incurred (input), or based on the services rendered (output). Invoices are generally prepared at least once a month, and payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted. The customers do not usually make any significant advance payments.

In addition, project business is conducted, in which generally customer-specific goods or services are produced or provided for customers over a medium-term or longer period. Revenue from this is likewise recognized over time and sales are mostly measured using input-based measurement methods, taking account of the costs incurred. Invoices are generally issued as contractually agreed. Advance payments averaging 30% are usually made by the customers before the start of a project. Payments are made by bank transfer in most cases. No significant discounts on the invoice amount are granted.

Contract assets and contract liabilities
Contract assets primarily arise in the project business from customer-specific goods or services for customers, but are only of minor significance in the Continental Group. Contract assets must be recognized because the goods or services are provided over a medium-term or longer period in which goods or services have already been provided by Continental but there is not yet an unconditional right against the customer, i.e. a receivable. The right – or part of the right – to consideration from the customer is often only unconditional once the provision of the services has been completed and can then be recognized as a receivable and invoiced in full. The associated payments are generally made on the basis of actual invoicing. The recognition of receivables and the receipt of payments reduce the associated contract assets.

Contract liabilities include mainly advance payments by customers for deliveries of goods and for services to be performed. In the case of these advance payments by customers for deliveries of goods and for services to be performed, the customer has already paid the consideration – or part of the consideration – but Continental has generally not yet satisfied its performance obligation, or has done so only to a limited extent. The provision of the corresponding services to the customers by Continental reduces the level of the associated contract liabilities.

Research and development expenses
Research and development expenses comprise expenditure on research and development and expenses for customer-specific applications, prototypes and testing. Where refunds from customers for research and development expenses are agreed, these costs are recognized in inventories until control is transferred. Once control is transferred, the refund amounts are stated under other income. In addition, the expenses are reduced by the amount relating to the application of research results from the development of new or substantially improved products, if the related activity fulfills the recognition criteria for internally generated intangible assets set out in IAS 38, *Intangible Assets*. This portion of the expenses is capitalized as an asset and amortized over a period of three to seven years from the date that the developed products become marketable. However, expenses for customer-specific applications, pre-production prototypes or tests for products already being marketed do not qualify as development expenditure which may be recognized as an intangible asset. Furthermore, expenses incurred directly in connection with the launch of new production operations and plants are recognized directly in profit or loss.

New developments for the original-equipment business are not marketable until Continental AG has been nominated as the supplier for the particular vehicle platform or model and, furthermore, has successfully fulfilled pre-production release stages. Moreover, these release stages serve as the prerequisite to demonstrate the technical feasibility of the product, especially given the high demands imposed on safety and comfort technology. Accordingly, development costs are recognized as an asset only as at the date of nomination as supplier and upon fulfillment of a specific preproduction release stage. The development is considered to be completed once the final approval for the unlimited production is granted. Only very few development projects fulfill the recognition criteria.

Although suppliers are nominated by original equipment manufacturers with the general obligation to supply products over the entire life of the particular model or platform, these supply agreements constitute neither long-term contracts nor firm commitments, in particular because the original equipment manufacturers make no commitments in regard to purchase quantities. For this reason, all pre-production expenses – with the exception of the capitalized development costs as previously described – are recognized immediately in profit or loss.

Product-related expenses
Costs for advertising, sales promotion and other sales-related items are expensed as incurred. Provisions are recognized for possible warranty claims on sold products on the basis of past experience, as well as legal and contractual terms. Additional provisions are recognized for specific known cases.

Financial result and investment income
Interest income and expenses are recognized for the period to which they relate.

Dividends are recognized in profit or loss if legal entitlement to payment of the dividend is established, the economic benefit associated with the dividend is likely to be received, and the dividend amount can be measured reliably.

Earnings per share
Basic earnings per share are calculated on the basis of the weighted average number of shares issued. Treasury stock is deducted for the period it is held. Diluted earnings per share also include shares from the potential exercise of option or conversion rights. The corresponding expenses that would no longer be incurred after the conversion or exchange are eliminated.

Statement of financial position classification
Assets and liabilities are reported as non-current assets and liabilities in the statement of financial position if they have a remaining term of over one year and, conversely, as current assets and liabilities if the remaining term is shorter. Liabilities are treated as current if there is no right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pension provisions, provisions for other post-employment benefits, and other employee benefits, as well as deferred tax assets and liabilities are accounted for as non-current. If assets and liabilities have both current and non-current portions, the amounts are classified separately and shown as current and non-current assets or liabilities.

Goodwill
Goodwill corresponds to the difference between the acquisition cost and the fair value of the acquired assets and liabilities of the business combination. Goodwill is not subject to amortization; it is tested for impairment at least annually and, if necessary, impaired.

The details of the annual impairment test are described under “Impairment” in this note. Once an impairment loss has been recognized on goodwill, it is not reversed in subsequent periods.

Intangible assets
Purchased intangible assets are carried at acquisition costs and internally generated intangible assets at their production costs, provided that the conditions for recognition of an internally generated intangible asset are met in accordance with IAS 38, *Intangible Assets*. If intangible assets have finite useful lives, they are amortized on a straight-line basis over a useful life of three to eight years in general. Intangible assets with indefinite useful lives are tested at least annually for impairment and, if necessary, impaired.

The details of the annual impairment test are described under "Impairment" in this note.

Property, plant and equipment
Property, plant and equipment is measured at cost less straight-line depreciation. If necessary, additional impairment is recognized on the affected items.

Production cost consists of the direct costs and attributable material and manufacturing overheads, including depreciation.

Under certain conditions, portions of the borrowing costs are capitalized as part of the acquisition cost. This also applies to investment property.

As soon as an asset is available for its intended use, subsequent cost is capitalized only to the extent the related modification changes the function of the asset or increases its economic value and the cost can be clearly identified. All other subsequent expenditure is recognized as current maintenance expense.

Property, plant and equipment is broken down into the lowest level of the components that have significantly different useful lives and, to the extent integrated in other assets, when they are likely to be replaced or overhauled during the overall life of the related main asset. Maintenance and repair costs are recognized in profit or loss as incurred. The Continental Group has no property, plant or equipment that by the nature of its operation and deployment can be repaired and serviced only in intervals over several years. The useful lives are up to 25 years for buildings and land improvements; up to 20 years for technical equipment and machinery; and up to 12 years for operating and office equipment.

When assets are sold, closed down or scrapped, the difference between the net proceeds and the net carrying amount of the assets is recognized as gain or loss in other income or expense, respectively.

Government grants
Government grants are reported if there is reasonable assurance that the conditions in place in connection with the grants will be fulfilled and that the grants will be awarded.

Monetary government grants and government subsidies that are directly attributable to depreciable fixed assets are deducted from the procurement and manufacturing costs of the assets in question. All other monetary grants and subsidies are recognized as income in line with planning and are presented alongside the corresponding expenses. Non-monetary government grants are recognized at fair value.

Investment property
Land and buildings held for the purpose of generating rental income instead of production or administrative purposes are carried at depreciated cost. Depreciation is charged on a straight-line basis over the useful lives, which correspond to those for real estate in use by the company.

Leases
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee shall recognize a right-of-use asset and a corresponding lease liability, which represents the lessee's obligation to make lease payments.

The lease liability is measured at the present value of the lease payments not yet made. It is recognized under indebtedness. Discounting is determined using the incremental borrowing rates, as the interest rates underlying the leases often cannot be determined regularly. The right-of-use-asset recognized by the lessee is measured at cost. This amount comprises the corresponding lease liability and prepaid lease payments, taking into account any lease incentives received. It is recognized in property, plant and equipment. Depreciation is charged on a straight-line basis. The lease liability is subsequently measured according to the effective interest method. The resulting interest expense is recognized in the financial result.

Continental utilizes the exemptions for short-term leases and for leases in which the underlying asset is of low value.

Continental leases property, plant and equipment, especially buildings.

As lessor, Continental classifies leases as operating leases or finance leases. For this classification, Continental considers whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, it is a finance lease; otherwise, it is an operating lease.

If Continental acts as an intermediate lessor, the interests arising from the head lease and sublease are accounted for separately. The sublease is classified based on the right-of-use asset resulting from the head lease rather than based on the underlying asset. If the head lease is a short-term lease for which the Continental Group applies the exemption provision, it classifies the sublease as an operating lease.

Besides the products acquired from the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) on the basis of the related framework agreement, IFRS 15, *Revenue from Contracts with Customers*, is applied when allocating the consideration to individual lease and non-lease components.

Impairment
The Continental Group immediately reviews intangible assets and property, plant and equipment, investment property and goodwill as soon as there is an indication of impairment (triggering event). Impairment is assessed by comparing the carrying amount with the recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and the present value of the expected future cash flows from the continued use of the asset (value in use). If the carrying amount is higher than the recoverable amount, the difference is recognized as impairment. If the indications for the prior recognition of impairment no longer apply, the impairment losses are reversed for intangible assets, property, plant and equipment, and investment property.

Capitalized goodwill is generally tested for impairment once a year as at November 30 at the level of cash-generating units (CGUs). CGUs are units that come below the segments and are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This represents the level at which goodwill is monitored for internal management purposes. The impairment test is performed by comparing the carrying amount of the CGU including its goodwill and the recoverable amount of this CGU. The recoverable amount in this case is the value in use calculated on the basis of discounted cash flows before interest and tax. Impairment is recognized to the extent the carrying amount exceeds the recoverable amount for a CGU. If the reasons for this cease to apply in the future, impairment losses on goodwill are not reversed.

The expected cash flows of the CGUs are derived from long-term planning that usually covers the next five years and is approved by management. For the Autonomous Mobility CGU, expected cash flow data is derived from its long-term planning that covers the next 11 years (PY: eight years). The plans are based in particular on assumptions regarding macroeconomic developments, as well as trends in sales prices, raw material prices and exchange rates derived in part from external sources. In addition to these current market forecasts, past developments and experience are also taken into account. Furthermore, Continental's internal CO_2 shadow price is also taken into account in the assumptions; for further details on its calculation, please refer to the consolidated management report. For the perpetuity beyond the period of five years, the cash flow is extrapolated using the expected long-term growth rates for the individual CGUs.

The main assumptions when calculating the value in use of a CGU are the free cash flows, the discount rate and its parameters, and the long-term growth rate.

Annual impairment testing was performed on the basis of the bottom-up business plan for the next five years approved by management in the period under review. The cash flows of the CGUs of the Automotive segment were discounted with an interest rate before tax of 12.4% (PY: 13.1%), those of the Tires segment with an interest rate of 12.4% (PY: 11.5%), those of the ContiTech segment with an interest rate of 12.6% (PY: 11.9%) and those of the Contract Manufacturing segment with an interest rate of 12.4% (PY: 13.1%). This pre-tax WACC is based on the capital structure of the respective relevant peer group on average over the last five years. The risk-free interest rate is 2.50% (PY: 2.62%) and the market risk premium 7.0% (PY: 7.0%). Borrowing costs correspond to the interest rate on industrial bonds, with the average rating derived via the peer group.

For the annual impairment test, the average growth rate in the detailed planning period was 6.4% (PY: 8.8%) for the CGUs of the Automotive segment, 3.9% (PY: 5.6%) for those of the Tires segment and 4.3% (PY: 4.9%) for those of the ContiTech segment. Contract manufacturing for the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) is reported in the Contract Manufacturing segment and will conclude by the end of the detailed planning period. The long-term growth rate was 1.0% (PY: 1.0%) for the CGUs of the Automotive segment and 0.5% (PY: 0.5%) for those of the Tires and ContiTech segments, with the exception of the Original Equipment Solutions CGU. The long-term growth rate for the Original Equipment Solutions CGU of the ContiTech segment was 1.0% (PY: 0.5%). These growth rates do not exceed the long-term average growth rates for the markets in which the CGUs operate.

The annual impairment testing of goodwill determined no requirements for impairment for 2024. This outcome was confirmed by an additional impairment test as at December 31, 2024. In the Original Equipment CGU of the Tires segment, the carrying amount exceeded the value in use. As there was no significant goodwill, the recoverability of the individual assets was reviewed, whereby these are mainly production-related machines and buildings that are not used exclusively by the Original Equipment CGU, but are also used by the three CGUs Replacement EMEA (Europe, the Middle East and Africa), Replacement APAC (Asia-Pacific region) and Replacement The Americas (North, Central and South America). This review did not reveal any need for impairment, since the fair value less costs of disposal for the individual assets exceeds their respective carrying amount. Fair values were derived on the basis of valuation reports relating to the properties and current market values for comparable machinery and technical equipment, among other things.

Assuming a 0.5-percentage-point increase in the discount rate would not lead to any goodwill impairment. No asset impairment would result. Reducing the long-term growth rate by 0.5 percentage points would not lead to any goodwill impairment. No asset impairment would result. If sales in perpetuity would decline by 5.0%, consequently reducing free cash flow as a key planning parameter, this would not lead to any goodwill impairment. No asset impairment would result.

Assets held for sale and related liabilities

A non-current asset (or disposal group) is classified as held for sale and is presented separately in the statement of financial position if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

A non-current asset (or disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell where it meets the held for sale criteria. Depreciation of these assets ceases once they are classified as held for sale. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts shall be measured in accordance with the applicable IFRS.

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. A non-current asset (or disposal group) held for distribution is measured at the lower of its carrying amount and fair value less costs to distribute.

On subsequent remeasurement of a disposal group, the carrying amounts of any assets and liabilities that are not within the scope of the measurement requirements of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, but are included in a disposal group classified as held for sale, shall be remeasured in accordance with the applicable IFRS before the fair value less costs to sell of the disposal group is remeasured.

A discontinued operation can also be classified as held for sale under IFRS 5. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The classification of a component of an entity as a discontinued operation is also appropriate in the case of classification as held for distribution, provided the criteria are met.

Financial instruments

A financial instrument, as defined in IAS 32, *Financial Instruments: Presentation*, is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

In the Continental Group, a purchase or sale of financial assets or financial liabilities is recognized or derecognized at the settlement date.

Financial assets

Financial assets are recognized in the statement of financial position as at the date Continental becomes a contractual party to the financial instrument. At the acquisition date, they must be classified into measurement categories that determine the subsequent accounting.

Receivables from the receivables factoring programs carried out in the Continental Group are recognized in the statement of financial position when the risks and rewards, in particular credit and default risk, have not been essentially transferred. The repayment obligations therefrom are, as a rule, then shown as short-term financial liabilities.

The classification and measurement of financial assets that constitute debt instruments is based on the business model in which the assets are managed and on their cash flow characteristics. These conditions are cumulative criteria whose audit sequence is irrelevant.

It is therefore necessary to analyze the business model in which the asset to be classified is held. This relates to the investigation of the way in which financial assets held in order to collect cash flows are managed. The Continental Group reclassifies debt instruments if the corresponding business model changes.

IFRS 9, *Financial Instruments*, distinguishes between three business models:

- Hold-to-collect: The objective of this business model is to hold the financial assets and generate the contractual cash flows. This model is the prevalent business model in the Continental Group.
- Hold-to-collect and sale: This business model aims to collect the contractual cash flows or sell the financial assets. This business model does occur – for example, in connection with notes receivable – but is fundamentally of subordinate importance in the Continental Group.
- Other: This business model constitutes a catch-all category. This model occurs in the Continental Group in connection with recognized trade accounts receivable from third parties which will probably be sold under a true sale-of-receivables factoring agreement; however, it is fundamentally of subordinate importance in the Continental Group.

In addition to the analysis of the business model, the contractual terms applicable on acquisition of the financial instrument must also be assessed (SPPI (solely payments of principal and interest) criterion). The SPPI criterion is met when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

On the basis of the aforementioned conditions, a distinction is drawn between the following measurement categories for financial assets that constitute debt instruments:

- Measured at cost: The financial asset, which constitutes a debt instrument, is held within a business model whose objective is to hold assets in order to collect contractual cash flows. Furthermore, the contractual cash flows can be characterized as payments of principal and interest on the principal amount outstanding. Interest income is recognized in the financial result using the effective interest method. Gains or losses arising from derecognition are recognized in profit or loss together with the foreign-currency gains and losses under other operating income or expenses, or in the financial result. Impairment losses are likewise recognized separately in the income statement.
- Measured at fair value through other comprehensive income with reclassification (FVOCIwR): The financial asset, which constitutes a debt instrument, is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Furthermore, the contractual cash flows can be characterized as payments of principal and interest on the principal amount outstanding. Changes in the carrying amount are recognized in other comprehensive income. Income or expenses from impairment, interest income and foreign-currency gains and losses are recognized in profit or loss. The cumulative gain or loss stated in other comprehensive income is reclassified from equity to the income statement when the financial asset is derecognized. Interest income is recognized in the financial result using the effective interest method. Foreign-currency gains and losses are recognized in other income and expenses.
- Measured at fair value through profit or loss (FVPL): The financial asset, which constitutes a debt instrument, is not to be measured at cost or at fair value through other comprehensive income with reclassification (FVOCIwR), as either the SPPI criterion was not met or the "Other" business model applies. Classification to the "measured at fair value through profit or loss (FVPL)" category can also be appropriate if the fair value option is applied to debt instruments that should actually be classified as measured at cost or at fair value through other comprehensive income with reclassification (FVOCIwR). However, the Continental Group does not currently intend to apply the fair value option to debt instruments. Income or expense from a financial asset measured at fair value through profit or loss is recognized in the income statement.

Investments that fall within the scope of IFRS 9, *Financial Instruments*, and meet the definition of equity must generally be measured at fair value. For equity instruments that are neither held for trading nor constitute contingent consideration accounted for by the acquirer in a business combination according to IFRS 3, *Business Combinations*, the Continental Group decides at the acquisition date for each (equity) instrument whether to exercise the option of recognizing changes in fair value in other comprehensive income (fair value OCI option). The cumulative gain or loss in other comprehensive income is not reclassified to the income statement when the financial asset is derecognized. This results in the measurement category of fair value through other comprehensive income without reclassification (*FVOCIwoR*). Dividends are an exception to this and continue to be recognized in profit or loss when the legal entitlement is established, unless this relates to a partial restitution of acquisition costs. Dividends are recognized in other income from investments.

Equity instruments held for trading purposes or for which the fair value OCI option is not utilized are without exception accounted for at fair value through profit or loss (FVPL).

On initial recognition, the Continental Group measures a financial asset at fair value plus the transaction costs directly attributable to the acquisition, with the exception of financial assets measured at fair value through profit or loss, for which associated transaction costs are recognized as expense in the income statement.

Impairment is recognized using the expected loss model. The impairment model applies to financial assets measured at amortized cost or at fair value through other comprehensive income (FVOCI) (except for investments in equity instruments), contract assets that result from IFRS 15, *Revenue from Contracts with Customers*, lease receivables, loan commitments and financial guarantee contracts.

Loss allowances are measured on the basis of 12-month expected credit losses or on the basis of lifetime expected credit losses. 12-month expected credit losses result from possible default events within 12 months after the reporting date. Lifetime expected credit losses result from all possible default events over the expected life of a financial instrument.

Lifetime expected credit loss measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition, and 12-month expected credit loss measurement applies if it has not. The credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due on the reporting date.

For trade accounts receivable and contract assets with and without significant financing components, lease payments receivable and current receivables from related parties, only lifetime expected credit loss measurement is applied. Under this approach, the lifetime expected credit losses must be recognized from the initial recognition of the receivable.

A financial asset is in default or credit-impaired if one of the following criteria is met:

- Insolvency or a similar event that indicates significant financial difficulty and a probable default of the counterparty.
- Probable debt waiver.
- A breach of contract that leads to the assumption that it is more probable that one or more receivables are not collectible.
- Other reasons in the assessment of credit management that lead to the assumption that it is more probable that the receivables are not collectible.

If there is evidence of uncollectibility, the financial asset is derecognized. If creditworthiness improves, the allowance is reversed.

The Continental Group regularly reviews the expected credit loss model in accordance with IFRS 9, *Financial Instruments*, to identify potential effects on the model and make any necessary adjustments. The outcome of this review and any potential adjustments at the end of the reporting period are described under “Default risks.”

Financial liabilities

Financial liabilities are recognized in the statement of financial position as at the date Continental becomes a contractual party to the financial instrument.

Financial liabilities are generally measured at amortized cost using the effective interest method. Instruments that are held for trading are classified as “financial liabilities measured at fair value through profit or loss.” For financial liabilities not held for trading, the fair value option can be exercised. If the fair value option is used, the portion of the change in the fair value due to changes in the credit risk of the liability is recognized in other comprehensive income. The fair value option is not currently exercised in the Continental Group. In the consolidated financial statements of Continental AG, all non-derivative financial liabilities are measured at amortized cost, which as a rule comprises the remaining principal balance and issuing costs, net of any unamortized premium or discount. Financial obligations with fixed or determinable payments that comprise neither financial liabilities nor derivative financial liabilities and are not quoted in an active market are reported in the statement of financial position under other financial liabilities in accordance with their term.

In the case of information reported in accordance with IFRS 7, *Financial Instruments: Disclosures*, classification is in line with the items disclosed in the statement of financial position and/or the measurement category used in accordance with IFRS 9, *Financial Instruments*.

Derivative financial instruments and hedge accounting

Derivative financial instruments are measured at fair value through profit or loss (FVPL). The fair value is generally the market or exchange price. In the absence of an active market, the fair value is determined using financial models.

Fair values of currency forwards are calculated by way of future cash flows being translated into one of the two currencies using forward rates, netted, discounted with risk-free interest rates and then translated into the functional currency of the respective subsidiary at current spot exchange rates if applicable (par method).

The value of options is determined by applying recognized option pricing models.

To calculate the fair value of interest-rate swaps and cross-currency interest-rate swaps, the future cash flows are discounted with the interest rates for the respective maturities, with primarily deposit rates, risk-free interest rates or IBOR rates used as short-term interest rates while long-term interest rates are based on the swap rates in the respective currency. Future cash flows are forecast using interest-rate curves with an appropriate payment tenor. When discounting, currency basis spreads or, if applicable, tenor basis spreads are taken into account.

The measurement of derivative instruments takes into account the credit spread in general.

Derivative instruments are recognized at the date when the obligation to buy or sell the instrument arises.

Hedge accounting is currently not applied.

The amount of the effective portion of the change in value of the hedges remaining from the hedging of foreign-currency risks from net investments in foreign operations is still recognized together with the effect from the currency translation of the net investment in the difference from currency translation in equity. The accumulated currency effects are not reclassified in profit and loss until the foreign operations are sold or liquidated.

Embedded derivatives
An embedded derivative is a component of a hybrid contract alongside a non-derivative host contract. A portion of the cash flows of the hybrid contract is therefore subject to similar variability as a separate derivative.

Non-derivative host contracts, with the exception of financial assets, are regularly inspected within the Continental Group for embedded derivatives.

If the host contract does not fall under the scope of IFRS 9 or if the host contract is a financial liability, embedded derivatives must be separated from the host contract if the assessment finds that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms would meet the definition of a derivative and Continental does not exercise the option to measure the entire hybrid instrument at fair value through profit or loss.

If separation is appropriate, the host contract is accounted for in accordance with the relevant IFRS requirements. The embedded derivative is recognized at fair value through profit or loss (FVPL).

Inventories
Inventories are recognized at the lower of cost and net realizable value. Acquisition cost is generally determined using the weighted-average method. Production cost includes direct costs, production-related material costs, overheads and depreciation. Inventory risks resulting from decreased marketability or excessive storage periods are accounted for with write-downs.

Other assets
Other assets are recognized at amortized cost. Allowances are recognized as appropriate to reflect any possible risk related to recoverability.

Accounting for income taxes
Income taxes are measured using the concept of the statement of financial position liability method in accordance with IAS 12, *Income Taxes*. Tax expenses and refunds that relate to income are recognized as income taxes. Late payment fines and interest arising from subsequently assessed taxes are not reported under the item income tax expense, but rather as interest income and expense.

Current taxes owed on income are recognized as expenses when they are incurred. They are determined taking into account the respective local tax laws and relevant case law. The complexity of these regulations and the possible differences in interpretation between taxpayers on the one hand and local tax authorities on the other may lead to uncertainties regarding the handling of individual facts and circumstances. These uncertain tax positions are measured in accordance with IFRIC 23 as the most likely amount. Owing to the lack of an unrestricted market comparison, determining prices for cross-border intercompany transactions is extremely complex and therefore subject to uncertainty. In the Continental Group, prices are therefore regularly determined on the basis of the internationally recognized arm's length principle, taking into account the transfer pricing methods specified by lawmakers and the Organisation for Economic Co-operation and Development (OECD). If there are multiple tax uncertainties and a correlation between them and certain tax parameters, they are presented in the financial statements either individually or as a group, depending on how the risk is realized.

Deferred taxes include expected tax payments and refunds from temporary differences between the carrying amounts in the consolidated financial statements and the related tax bases, as well as from the utilization of loss carryforwards. No deferred tax is recognized for non-tax-deductible goodwill. The deferred tax assets and liabilities are measured at the applicable tax rates related to the period when the temporary differences are expected to reverse. Changes in tax rates are recognized once the rate has been substantially enacted. Deferred tax assets are not recognized if it is not probable that they will be realized in the future.

In a country-specific review, the extent to which tax-related risks that are likely to occur can or must be offset against losses or loss carryforwards in the individual countries or tax groups is analyzed. If there is a need for offsetting in the countries or tax groups, the probable tax-related risks are offset against the associated losses and loss carryforwards. As a result, the disclosure of deferred taxes on loss carryforwards includes a risk adjustment for the Continental Group units affected.

Income tax receivables and liabilities are recognized as current items, as they are due immediately and this due date often cannot be deferred.

The Continental Group falls within the scope of the regulations known as the Pillar Two Model Rules of the OECD governing a global minimum corporate tax rate, which have been carried over into German law under the Minimum Tax Act *(Mindeststeuergesetz – MinStG)*. In addition, related provisions for the collection of a local minimum tax have been introduced in the countries in which the Continental Group operates.

The Continental Group makes use of the exemption from accounting for deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

The minimum tax is levied at the level of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, as the parent company of the IHO Group (ultimate parent entity) and group parent. Within the framework of the requirements stipulated by the minimum tax regulations, Continental AG, as the parent company of the Continental Group, acts as a partially owned parent entity. Continental AG is included in the consolidated financial statements of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, and, for this reason, is jointly assessed with the other companies of the IHO Group when determining the minimum tax. Continental AG is obligated in accordance with Section 3 (6) *MinStG* to compensate INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, for the share of the minimum tax attributable to Continental AG. Owing to the recognized national top-up taxes, it is possible that the duty to pay the minimum tax due may fall on group subsidiaries other than Continental AG.

The rules governing the global minimum tax stipulate that, per country, the difference between the effective tax rate in accordance with the global minimum tax rules and the 15% minimum tax rate – based on the adjusted minimum tax profit – is to be paid as the minimum tax by the ultimate parent entity, i.e. INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany. In a transition period for the fiscal years 2024 through 2026, so-called safe harbor rules linked to the fulfillment of certain criteria may be utilized that allow companies to dispense with the exact calculation of the minimum tax, with the minimum tax being set at zero in such cases.

Employee benefits

The retirement benefits offered by the Continental Group comprise both defined benefit and defined contribution plans.

Pension provisions under defined benefit plans are actuarially measured pursuant to IAS 19, *Employee Benefits* (revised 2011), using the projected unit credit method that reflects salary, pension and employee fluctuation trends. The discount rate to determine the present value is based on long-term loans in the respective capital market. Actuarial gains and losses are recognized in other comprehensive income. Expenses from interest cost on pension liabilities and income from pension funds are reported net in the financial result.

Accordingly, the interest effects of other long-term employee benefits are reported in the financial result. Pension liabilities for some companies of the Continental Group are covered by pension funds. Furthermore, plan assets comprise all assets, as well as claims from insurance contracts, that are held exclusively toward payments to those entitled to pensions and are not available to meet the claims of other creditors. Pension obligations and plan assets are reported on a net basis in the statement of financial position.

The other post-employment benefits also shown under the employee benefits relate to obligations to pay for health costs for retired workers in the USA and Canada in particular.

Defined contribution plans represent retirement benefits where the company only contributes contractually fixed amounts for current service entitlements, which are generally invested by independent, external asset managers until the date of retirement of the employee. The fixed amounts are partly dependent on the level of the employee's own contribution. The company gives no guarantees of the value of the asset after the fixed contribution, either at the retirement date or beyond. The entitlement is therefore settled by the contributions paid in the year.

Provisions for other risks and obligations

Provisions are recognized when a legal or constructive obligation has arisen that is likely to result in a future cash outflow to third parties and the amount can be reliably determined or estimated. The provisions are recognized as at the end of the reporting period at the value at which the obligations could probably be settled or transferred to a third party. Non-current provisions such as those for litigation or environmental risks are discounted to their present value. The resulting periodic interest charge for the provisions is shown under the financial result including an effect from a change in interest.

Non-financial liabilities

Current non-financial liabilities are carried at their settlement amount. Non-current non-financial liabilities are measured at amortized cost.

Share-based payments

Cash-settled share-based payments are measured at fair value using a Monte Carlo simulation. The liabilities are recognized under employee benefits until the end of the holding period. Equity-settled share-based payments are measured at the fair value of the granted equity instruments.

Estimates

Proper and complete preparation of the consolidated financial statements requires management to make estimates and assumptions affecting the amount and disclosure of the recognized assets and liabilities, income and expenses as well as the disclosures in the notes for the reporting period.

The significant assumptions and estimates in the reporting period related to:

- the determination of the useful lives of intangible assets and property, plant and equipment.
- the impairment testing of goodwill and non-current assets, in particular the underlying cash flow forecasts and discount rates (determination of the recoverable).

- the identification of impairment losses or reversals of impairment losses on intangible assets.
- the identification of impairment losses or reversals of impairment losses on inventories.
- the identification of intangible assets and their measurement within the scope of company acquisitions.
- the assessment of the recoverability of receivables and other financial assets (impairment amount).
- the determination of fair values with regard to financial assets and liabilities.
- the recognition and measurement of income tax payables and deferred taxes on temporary differences, and the recognition of deferred tax assets on losses carried forward.
- the assessment of technical and economic feasibility when capitalizing development costs.
- the recognition and measurement of leases.
- the measurement of revenue reductions and reimbursement liabilities within the scope of revenue recognition.
- the actuarial parameters influencing share-based payments.
- the recognition and measurement of liabilities and provisions, in particular the actuarial parameters for pensions and similar obligations used to determine defined benefit obligations.
- the point in time at which assets and liabilities are classified as held for sale.
- the recognition and measurement of provisions and contingent liabilities, in particular with regard to the parameters for measuring restructuring provisions, as well as the probability of occurrence and the amount of warranty, litigation and environmental risks.

The assumptions and estimates are based on the information currently available at the date of preparation of the consolidated financial statements. The underlying information is regularly reviewed and updated to reflect actual developments as necessary.

Impact of the macroeconomic environment and climate-related aspects on accounting in the reporting period

Based on available information, the effects of the current macroeconomic environment on the accounting of the Continental Group were also continuously reviewed over the course of 2024. The macroeconomic environment was shaped in particular by persistently high inflation and high interest rates in the reporting period. The analysis of the effects of the macroeconomic environment on the accounting of the Continental Group included in particular the impairment testing of non-financial assets, the review of actuarial assumptions used to measure employee benefits and the review of the measurement of financial instruments and revenue from contracts with customers. This had no material effect on the reporting of the Continental Group in the reporting period. Overall, as in the previous year, there was a high level of uncertainty when making estimates in the reporting year.

We continued to review whether climate-related issues had a significant effect on reporting in the year under review. Such effects are possible in a number of different areas. Climate-related aspects can affect, for example, the recoverability of non-financial assets and inventories, the useful life and residual carrying values of assets, the expected credit losses of financial instruments, the input factors and assumptions used to measure value in use and fair value (e.g. discount rates, point in time and amount of projected cash flows), deferred tax assets, legal and de facto obligations (provisions and contingent liabilities), financial risk management (market risk, liquidity risk and default risk as well as risk concentration), and the financial accounting of participation in emissions trading systems and of energy supply agreements.

Climate-related risk factors were therefore considered in estimates and judgments when preparing the consolidated financial statements.

Climate-related aspects are also considered in the management remuneration structure. As described in the remuneration report, the long-term incentive (LTI) for the Executive Board members within the framework of the remuneration system in place until December 31, 2023 (remuneration system prior to December 31, 2023) includes a sustainability factor as a second performance criterion in addition to the degree of target achievement of the relative total shareholder return (TSR). To determine the LTI to be paid out, this sustainability factor is multiplied as a factor between 0.7 and 1.3 by the degree of target achievement of the relative TSR. Each year, the Supervisory Board set out up to six performance criteria and targets for the sustainability factor of the respective LTI plan. The structure of the LTI was changed under the expanded remuneration system valid from January 1, 2024 (remuneration system as of January 1, 2024). The LTI now comprises three performance criteria, which are additively linked together. The first financial performance criterion is still the relative TSR with a weighting of 50%. Added to this as a second financial performance criterion is the return on capital employed (ROCE) – calculated using the operating result adjusted for impairment on goodwill and divestments of companies and business operations – with a weighting of 30%. The third, non-financial performance criterion is environmental, social and governance (ESG) indicators with a weighting of 20%. The Supervisory Board generally sets between one and four ESG indicators each year before the term begins. The targets under the sustainability factor in the remuneration system prior to December 31, 2023, as well as the ESG indicators in the remuneration system as of October 1, 2024, are based on the Continental Group's sustainability ambition and its further development, the reported sustainability indicators and associated corporate targets as well as management processes, which are specified in detail in the sustainability report as a separate section of the management report. The target values for the individual target years of the LTI are derived from the medium and long-term corporate targets. For own CO_2 emissions, for example, the target path of the 2035 climate target and the corresponding intermediate steps for the respective LTI target values are used. The term of the LTI is set at four years in both remuneration systems.

In the remuneration system prior to December 31, 2023, the basis for measuring the target achievement is the measurement of performance in the corresponding period or in the last year of the plan. In the remuneration system as of January 1, 2024, a three-year performance period is specified for the performance criteria. At the end of the four-year term, the share price performance over the term of the plan is considered. For own CO_2 emissions, the strategic orientation for the defined target values, where necessary with interim steps for the individual tranches in order to achieve the long-term goal, is to reduce own CO_2 emissions to 0.5 million metric tons of CO_2 by 2035. This indicator is included in the 2020–2023, 2021–2024, 2022–2025 and 2023–2026 LTI plans as a target criterion in the sustainability factor and in the 2024–2027 LTI plan as an ESG indicator.

As in previous years, no significant effects of climate-related risk factors on reporting were identified. There were also no significant effects on individual items in the reporting period.

Impact of the geopolitical situation on accounting in the reporting period

Based on available information during the reporting period, Continental continuously reviewed the effects of the ongoing war in Ukraine, the conflict in the Middle East, the conflict between China and Taiwan and the unclear development of the geopolitical situation as well as the resulting disruptions to production, supply chains and demand, on the accounting of the Continental Group. This review had no material effect on the reporting of the Continental Group in the reporting period or as at December 31, 2024.

With respect to further developments concerning the geopolitical situation, climate-related aspects and the macroeconomic environment, the Continental Group is still continuously reviewing the possible effects on accounting.

Consolidated statement of cash flows

The statement of cash flows shows the sources during the reporting period that generated cash and cash equivalents as well as the application of cash and cash equivalents. This includes all cash and cash equivalents and demand deposits. Cash equivalents are short-term, highly liquid financial investments that can be readily converted into known cash amounts and are subject to an insignificant risk of changes in value.

The restrictions that may impact the availability of capital are also understood to comprise all existing restrictions on the cash and cash equivalents. In the Continental Group, the cash and cash equivalents are restricted with regard to pledged amounts and balances in countries with foreign-exchange restrictions or other barriers to accessing liquidity. Taxes to be paid on the transfer of cash assets from one country to another are not usually considered to represent a restriction on cash and cash equivalents.

Financial investments are considered to be cash equivalents only if they have a remaining original term not exceeding three months.

3. New Accounting Pronouncements

In accordance with EU Regulation (EC) No. 1606/2002 in conjunction with Section 315e (1) of the German Commercial Code *(Handelsgesetzbuch – HGB)*, Continental AG has prepared its consolidated financial statements in compliance with IFRS as adopted by the Commission of the European Communities under the European Union endorsement procedure. Accordingly, IFRS are only required to be applied following endorsement of the new standards by the European Commission.

The following endorsed standards, interpretations issued in relation to published standards and amendments that were applicable to the consolidated financial statements of Continental AG became effective in 2024 and have been adopted accordingly:
The amendments to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*, in 2020 clarify the classification of a liability. For a liability to be classified as non-current, the entity's substantial right to defer settlement of the liability for at least 12 months after the reporting period must exist at the end of the reporting period. For a liability to be non-current, an assessment is required of whether an entity has the right to defer settlement of a liability and not whether the entity will exercise that right. Furthermore, the amendments clarify the circumstances in which counterparty conversion options in relation to issued equity instruments affect classification as current or non-current. The 2020 amendments also specified how an entity should assess whether it has the right to defer settlement of a liability when that right is subject to compliance with specified conditions (covenants) within 12 months after the reporting period. Due to strong concerns about its interpretation, the IASB addressed this point and made improvements in further amendments to IAS 1 in 2022. These further amendments to IAS 1, *Presentation of Financial Statements (Non-current Liabilities with Covenants)*, in 2022 clarify that covenants to be complied with after the reporting period do not affect the classification of the corresponding liability as current or non-current at the end of the reporting period. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements. The amendments to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*, in 2020 were originally required to be applied for annual periods beginning on or after January 1, 2022. The additional amendment to IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current – Deferral of Effective Date)*, in July 2020 deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2023, as operational relief due to the COVID-19 pandemic. With the further amendments to IAS 1, *Presentation of Financial Statements (Non-current Liabilities with Covenants)*, in 2022, all amendments to IAS 1 together are required to be applied for annual periods beginning on or after January 1, 2024. The detailed effects on the consolidated financial statements of Continental AG are presented in Note 31 under "Effects of the first-time adoption of the amendments to IAS 1, *Presentation of Financial Statements*."

The amendments to IFRS 16, *Leases (Lease Liability in a Sale and Leaseback)*, refine the accounting treatment for sale and leaseback transactions. The amendments specify the requirements that a seller-lessee should apply when measuring the lease liability arising from a sale and leaseback transaction, to ensure that the seller-lessee does not recognize a gain or loss from the right of use retained. The amendments are required to be applied for annual periods beginning on or after January 1, 2024. The amendments had no significant effect on the consolidated financial statements of Continental AG.

The amendments to IAS 7, *Statement of Cash Flows*, and IFRS 7, *Financial Instruments: Disclosures, (Supplier Finance Arrangements)*, require an entity to provide additional disclosures about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments are required to be applied for annual periods beginning on or after January 1, 2024. The amendments had no significant effect on the consolidated financial statements of Continental AG. The additional disclosures can be found in Notes 32 and 34.

The following standards, interpretations issued in relation to published standards and amendments have already been adopted by the EU but will not take effect until a later date:
The amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*, require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use. A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. If a currency is not exchangeable at the measurement date, an entity is required to estimate a spot exchange rate (rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions). In this case, the entity is required to disclose information that enables users of its financial statements to understand how the lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2025. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

The following standards, interpretations issued in relation to published standards and amendments have not yet been adopted by the EU and will become effective at a later date:
IFRS 18, *Presentation and Disclosure in Financial Statements*, replaces IAS 1, *Presentation of Financial Statements*, while carrying forward many of the requirements from IAS 1. IFRS 18 introduces new requirements regarding the presentation of specified categories (operating category, investing category and financing category) and defines subtotals in the income statement in order to make it easier to compare the financial performance of similar companies. In addition, IFRS 18 requires disclosures on company-specific performance indicators that are not specified by IFRS Accounting Standards but have been defined by the company's management (so-called management defined-performance measures, or MPMs) to be provided in the notes. Furthermore, there may be changes to the information provided in the notes due to new aggregation and disaggregation principles. Some of the requirements in IAS 1 are moved to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, and IFRS 7, *Financial Instruments: Disclosures*. IFRS 18 also amends IAS 7, *Statement of Cash Flows*, and IAS 33, *Earnings per Share*, to a minimal extent. The new standard is required to be applied for annual periods beginning on or after January 1, 2027. A project to implement the requirements of IFRS 18 and the resulting changes in the Continental Group has been initiated. The ongoing impact analysis does not yet allow a conclusive statement to be made on the effects of the new standard (and the corresponding consequential amendments to other standards and interpretations) on the future consolidated financial statements of Continental AG. The Continental Group currently expects effects from the allocation of income and expense items to the new income statement categories. This will also affect the calculation and presentation of the operating result. Changes to the items in the primary financial statements also cannot be ruled out due to the application of the useful structured summary concept and new aggregation and disaggregation principles. New disclosures in the notes are also required. There will be a change in the presentation of interest paid and received in the statement of cash flows.

IFRS 19, *Subsidiaries without Public Accountability: Disclosures*, permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Subsidiaries are eligible to apply the new standard if they do not have public accountability and their parent company applies IFRS Accounting Standards in its consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. IFRS 19 is required to be applied for annual periods beginning on or after January 1, 2027. The standard is not expected to have any effect on the future consolidated financial statements of Continental AG.

The amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures, (Amendments to the Classification and Measurement of Financial Instruments)*, refine the classification, measurement and disclosure of financial assets and financial liabilities. The amendments clarify and extend the application guidance for assessing whether a financial asset meets the cash flow criterion (SPPI criterion). This includes both the classification of financial assets with ESG-linked (environmental, social and governance) or similar features, as well as the classification of financial assets with non-recourse features and contractually linked instruments. The amendments include clarifications on the timing of recognition and derecognition of financial assets and financial liabilities. In principle, financial liabilities are to be derecognized on the settlement date. With regard to the derecognition of financial liabilities settled using electronic payment systems, the amendments introduce an option that permits the financial liability to be discharged before the settlement date if certain criteria are met. Furthermore, the amendments introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contractual terms that could change the timing or amount of contractual cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

The amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*, *(Contracts Referencing Nature-dependent Electricity)*, clarify the accounting for contracts for nature-dependent electricity supply that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. To ensure that financial statements faithfully represent the effects of an entity's contracts referencing nature-dependent electricity, the amendments clarify the application of the "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments. Furthermore, the amendments add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

Under the IASB's annual improvements project, Improvements to IFRS Accounting Standards, July 2024, Volume 11, the following amendments will become effective at a later date:

- The amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards*, amend IFRS 1 regarding the hedge accounting by a first-time adopter to improve consistency with the requirements in IFRS 9, *Financial Instruments*. Furthermore, the amendments add cross-references to improve the understandability of IFRS 1.

- The amendments to IFRS 7, *Financial Instruments: Disclosures*, change the wording and update an obsolete reference in IFRS 7 to provide consistency with IFRS 13, *Fair Value Measurement*, with respect to the gain or loss on derecognition.

- The amendments to the guidance on implementing IFRS 7, *Financial Instruments: Disclosures*, clarify that the guidance does not necessarily illustrate all the requirements of the provisions of IFRS 7 stated therein, nor does it create additional requirements. In addition, the wording of the illustrative example on credit risk is adjusted for better understanding. The amendment also results in adjustments to IFRS 7 relating to the disclosure of the deferred difference between fair value and transaction price to provide consistency within IFRS 7 and with IFRS 9, *Financial Instruments*, and IFRS 13, *Fair Value Measurement*.

- The amendments to IFRS 9, *Financial Instruments*, clarify the derecognition of lease liabilities. In the case that a lease liability is extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 and to recognize any resulting gains or losses in profit or loss. Regarding the transaction price, the reference to the definition of transaction price is removed to reflect the fact that the transaction price may be defined differently under IFRS 9 than under IFRS 15, *Revenue from Contracts with Customers*.
- The amendments to IFRS 10, *Consolidated Financial Statements*, remove an inconsistency regarding the determination of a de facto agent within IFRS 10.
- The amendments to IAS 7, *Statement of Cash Flows*, replace the term “cost method” with the term “at cost.”

The amendments are required to be applied for annual periods beginning on or after January 1, 2026. The amendments are not expected to have any significant effect on the future consolidated financial statements of Continental AG.

4. Companies Consolidated and Information on Subsidiaries and Investments

Companies consolidated
In addition to the parent company, the number of companies consolidated includes 477 (PY: 457) domestic and foreign companies that Continental Aktiengesellschaft incorporates according to the regulations of IFRS 10 or that are classified as joint arrangements or associates. Of these, 380 (PY: 385) are fully consolidated and 97 (PY: 72) are accounted for using the equity method.

The number of companies consolidated has increased by a total of 20 since the previous year. Seven new companies were founded and two companies were acquired. The number of companies consolidated decreased by five as a result of mergers. In addition, two companies were sold and six companies were liquidated. One company was deconsolidated. The number of companies consolidated increased by 25 due to a change in the consolidation method for these companies.

A total of 27 (PY: 29) companies whose assets and liabilities, expenses and income – individually and combined – are not material for the earnings, financial and net assets position of the Continental Group are not included in consolidation. Twenty-six (PY: 28) of these are affiliated companies, six (PY: six) of which are currently inactive. One (PY: one) further company not included in consolidation is a joint venture. This unit is active.

For one company, a loss of control meant that the consolidation method was changed from the full consolidation to the equity method. This resulted in an equity investment at fair value of €27 million and income of €19 million, which was recognized under other income.

For another company, the consolidation method changed from another investment to an equity-accounted investee due to the ability of Continental AG to exert significant influence on the associated company. The associated cumulative valuation effects stated in other comprehensive income of €10 million was reclassified to revenue reserves.

Information on subsidiaries and investments
As at December 31, 2024, non-controlling interests were not of significance to the Continental Group. There are no significant restrictions in terms of access to or the use of assets of the Continental Group due to statutory, contractual or regulatory restrictions or property rights of non-controlling interests.

e.solutions GmbH, Ingolstadt, Germany, which has a 51% share of voting rights, and Carrel Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz, Germany, which has a 94% share of voting rights, are not fully consolidated as, under the companies’ statutes, these interests are not enough to direct the relevant activities of these investments.

EasyMile SAS, Toulouse, France, which has a 9.5% share of voting rights, is classified as an associate, as significant influence can be exerted on the basis of the company’s Articles of Incorporation. Continental AG consolidates 18 (PY: 18) structured entities. The structured entities within the Continental Group are essentially companies that serve to finance investments. These structured entities are characterized, among other things, by limited activities and a narrowly defined business purpose. Continental holds no voting rights or investments in the fully consolidated structured entities. However, Continental directs the business activities of these entities on the basis of contractual rights. The shareholders therefore have no influence. Furthermore, Continental is also exposed to variable returns from these entities and can influence these by directing business activities. There are no significant shares or rights in non-consolidated structured entities.

Further information on equity investments and an overview of the German companies and partnerships that utilized the exemption provisions of Sections 264 (3) and 264b of the German Commercial Code *(Handelsgesetzbuch – HGB)* can be found in Note 42.

5. Acquisition and Disposal of Companies and Business Operations

Acquisition of companies and business operations
A share deal took place in the Tires segment. The purchase price of around €0 million was paid in cash. The final purchase price allocation resulted in a negative difference of €1 million, which was recognized in profit or loss under other income. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

In the ContiTech segment, the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in 2023 led to a reduction in the purchase price of €1 million. The final purchase price allocation resulted in a reduction in goodwill of €1 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

Disposal of companies and business operations
In the Tires segment, some operations were sold in the Replacement EMEA business area. The transaction resulted in expenses of €3 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

In the Automotive segment, some operations were sold in the Autonomous Mobility business area. The sales price totaled €71 million and was paid in cash in the amount of €64 million. €7 million was received in the form of a long-term other financial asset. The carrying amounts of outgoing net assets amounted to €96 million. The entire transaction resulted in expenses of €12 million. Other than this, there was no material effect on the earnings, financial and net assets position of the Continental Group as at December 31, 2024.

Notes to the Consolidated Statement of Income

6. Sales

The following tables show the breakdown of sales in accordance with IFRS 15, *Revenue from Contracts with Customers*, into main geographical markets, segments, customer groups and product types:

Sales from January 1 to December 31, 2024

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Germany	4,941	1,827	1,008	77	–81	7,772
Europe excluding Germany	4,631	5,321	1,725	151	–46	11,781
North America	4,263	4,076	1,971	7	–43	10,274
Asia-Pacific	5,070	1,948	1,231	4	–5	8,248
Other countries	511	688	451	0	–7	1,644
Sales by region	**19,416**	**13,861**	**6,386**	**239**	**–183**	**39,719**
Automotive original-equipment business	18,147	3,332	2,797	237	–47	24,466
Industrial/replacement business	1,269	10,529	3,588	2	–135	15,253
Sales by customer type	**19,416**	**13,861**	**6,386**	**239**	**–183**	**39,719**
Goods	19,049	13,123	6,208	239	–175	38,444
Services	173	738	118	–	–7	1,022
Project business	194	–	60	–	–1	252
Sales by product type	**19,416**	**13,861**	**6,386**	**239**	**–183**	**39,719**

Sales from January 1 to December 31, 2023

€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Other/ Holding/ Consolidation	Continental Group
Germany	4,869	1,764	1,215	137	–87	7,899
Europe excluding Germany	4,899	5,322	1,754	243	–39	12,178
North America	4,644	4,169	2,156	112	–42	11,040
Asia-Pacific	5,394	1,924	1,249	20	–6	8,581
Other countries	490	779	467	0	–13	1,723
Sales by region	**20,295**	**13,958**	**6,842**	**512**	**–187**	**41,421**
Automotive original-equipment business	19,149	3,664	3,317	493	–50	26,572
Industrial/replacement business	1,147	10,294	3,524	20	–137	14,848
Sales by customer type	**20,295**	**13,958**	**6,842**	**512**	**–187**	**41,421**
Goods	19,898	13,286	6,563	512	–178	40,083
Services	203	672	125	0	–8	992
Project business	194	–	153	–	–1	346
Sales by product type	**20,295**	**13,958**	**6,842**	**512**	**–187**	**41,421**

The total revenue from contracts with customers in accordance with IFRS 15, *Revenue from Contracts with Customers*, amounted to €40,988 million (PY: €42,694 million), of which €1,270 million (PY: €1,273 million) is recognized under other income and stems contract liabilities of €201 million accounted for at the beginning of the year, €178 million was recognized as revenue in the reporting year. Revenue of €47 million (PY: €64 million) for performance obligations satisfied in the previous year was recognized in the reporting year due to transaction price changes.

Transaction price for performance obligations not yet satisfied
The table below shows the aggregated, anticipated amounts of transaction prices for performance obligations not yet satisfied or only partly satisfied from contracts as defined in IFRS 15 with a term of more than one year.

€ millions	2025	2026 onward
Income from research and development	247	132
Other revenues	69	81
Total	**315**	**213**

The amounts relate chiefly to future income from research and development, whereby the revenue is expected to be recognized within the periods shown. For contracts as defined in IFRS 15 with a term of less than one year, the practical expedient under IFRS 15.121 (a) is applied and no amounts are shown.

Use of other practical expedients
For contracts for which the time interval between the provision of the service by Continental and the expected payment by the customer comes to less than one year as at the start of the contract, the practical expedient from IFRS 15.63 is applied and the transaction price is not adjusted for any significant financing components contained.

7. Research and Development Expenses

The expenses and income from research and development are shown in the two tables below.

The research and development expenses include government grants totaling €38 million (PY: €37 million).

	2024					
€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Consolidation	Continental Group
Research and development expenses	-3,547	-349	-203	0	0	-4,099
Income from research and development	1,191	–	20	0	–	1,211
Research and development expenses (net)	**-2,356**	**-349**	**-182**	**0**	**0**	**-2,888**

	2023					
€ millions	Automotive	Tires	ContiTech	Contract Manufacturing	Consolidation	Continental Group
Research and development expenses	-3,593	-336	-197	0	0	-4,126
Income from research and development	1,208	–	22	0	–	1,230
Research and development expenses (net)	**-2,385**	**-336**	**-175**	**0**	**0**	**-2,896**

8. Other Income and Expenses

€ millions	2024	2023
Other income	2,054	1,837
Other expenses	-650	-829
Other income and expenses	**1,404**	**1,008**

Other income

€ millions	2024	2023
Income from research and development	1,211	1,230
Income in connection with litigation and environmental risks	202	76
Income from transactions with related parties	157	33
Income from other ancillary business	61	50
Income from the reimbursement of customer tooling expenses	58	43
Income from the reversal of impairment on financial assets and contract assets	46	46
Compensation from customers and suppliers	32	80
Income from the disposal of property, plant and equipment	28	41
Income from currency translation	21	–
Income from the disposal of companies and business operations	19	8
Income from other taxes	12	11
Income from the reversal of provisions for pending losses	10	11
Other	196	206
Other income	**2,054**	**1,837**

Other income increased by €217 million to €2,054 million (PY: €1,837 million) in the reporting period.

Income amounting to €202 million (PY: €76 million) resulted in connection with litigation and environmental risks. For further information in this regard, see Note 29.

The income from transactions with related parties mainly includes the compensation payment from Vitesco Technologies in the amount of €125 million. Please see Note 41 for information on transactions with related parties.

The income from other ancillary business results primarily from revenues from licensing and franchising agreements, the sale of recyclable materials and other ancillary business.

The income from disposal of companies and business operations includes income in the amount of €19 million resulting from a change in the consolidation method from the full consolidation to the equity method.

The "Other" item mainly includes income from insurance compensation due to damage to property, plant and equipment caused by force majeure. In addition, government grants amounting to €15 million (PY: €12 million) that were not intended for investments in non-current assets were received and recognized in profit or loss in the "Other" item.

Other expenses

€ millions	2024	2023
Expenses in connection with litigation and environmental risks	224	104
Expenses from impairment on financial assets and contract assets	73	77
Expenses from other taxes	61	34
Expenses from provisions for pending losses	55	23
Compensation to customers and suppliers	44	39
Expenses from customer tooling	37	30
Expenses from transactions with related parties	20	23
Losses on the disposal of property, plant and equipment, and from scrapping	18	21
Expenses from the disposal of companies and business operations	14	99
Expenses from currency translation	0	107
Other	102	273
Other expenses	**650**	**829**

Other expenses decreased by €179 million to €650 million (PY: €829 million) in the reporting period.

Expenses amounting to €224 million (PY: €104 million) resulted in connection with litigation and environmental risks. For further information in this regard, see Note 29.

The “Other” item mainly includes costs for damages arising from force majeure in the reporting year. In the previous year, it also included legal costs in connection with the investigation by the public prosecutor’s office into the suspected development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers, external expenses from moving machinery between various company locations, and expenses in connection with the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

9. Personnel Expenses

The following total personnel expenses are included in function costs in the income statement:

€ millions	2024	2023
Wages and salaries	9,166	9,406
Social security contributions	1,799	1,731
Pension and post-employment benefit costs	254	259
Personnel expenses	**11,219**	**11,395**

Compared with the 2023 reporting year, personnel expenses decreased by €177 million to €11,219 million (PY: €11,395 million).

The average number of employees in 2024 was 197,138 (PY: 203,253). As at the end of the year, there were 190,159 (PY: 202,763) employees in the Continental Group. The year-on-year decrease in personnel expenses was mainly due to the reduction in headcount and lower expenses for the creation of personnel-related provisions for restructuring measures as well as to exchange-rate effects.

Social security contributions of the companies of the Continental Group (employer contributions) amounted to €365 million in the reporting year (PY: €369 million).

10. Income from Investments

€ millions	2024	2023
Share of earnings from equity-accounted investees	32	43
Reversal of impairment losses from equity-accounted investees	0	3
Income from equity-accounted investees	**32**	**45**
Other income from investments	**0**	**1**

With regard to the development of investments in equity-accounted investees, please refer to Note 17.

11. Financial Result

€ millions	2024	2023
Interest income	**103**	**103**
Interest and similar expenses	-314	-308
Interest expenses from lease liabilities	-31	-28
Interest effects from non-current liabilities	-15	1
Interest effects from long-term employee benefits and from pension funds	-90	-85
Interest expense	**-449**	**-419**
Effects from currency translation	**-2**	**79**
Effects from changes in the fair value of derivative instruments	-35	0
Other valuation effects	-15	1
Effects from changes in the fair value of derivative instruments, and other valuation effects	**-51**	**1**
Financial result	**-398**	**-236**

The negative financial result increased by €163 million year-on-year to €398 million in 2024 (PY: €236 million), mainly due to the sum of effects from currency translation, changes in the fair value of derivative instruments and other valuation effects.

Overall, interest income remained at the previous year's level and amounted to €103 million.

Interest expense totaled €449 million in 2024 and was thus €29 million higher than the previous year's figure of €419 million. Interest expense from long-term employee benefits and expected income from long-term employee benefits and from pension funds amounted to a net expense of €90 million in the reporting year (PY: €85 million). These interest effects do not include the interest income from the plan assets of the pension contribution funds or the interest expense from the defined benefit obligations of the pension contribution funds. Interest expense, resulting mainly from bank borrowings, capital market transactions and other financing instruments, was €359 million (PY: €335 million). Interest expense on lease liabilities accounted for €31 million of this (PY: €28 million). The bonds issued by Continental AG and Conti-Gummi Finance B.V., Maastricht, Netherlands, resulted in expenses of €111 million (PY: €97 million). Interest expense in connection with the utilization of the syndicated loan totaled €32 million (PY: €19 million).

Effects from currency translation resulted in a negative contribution to earnings of €2 million in the reporting year (PY: positive contribution to earnings of €79 million). Effects from changes in the fair value of derivative instruments, and other valuation effects resulted in expenses of €51 million (PY: income of €1 million). Other valuation effects accounted for €15 million of this (PY: income of €1 million). Taking into account the sum of the effects from currency translation and changes in the fair value of derivative instruments, earnings in 2024 were negatively impacted by €37 million (PY: positively impacted by €79 million). This year-on-year trend was primarily attributable to the development of the Chinese renminbi in relation to the euro.

12. Income Tax Expense

The domestic and foreign income tax expense of the Continental Group is as follows:

€ millions	2024	2023
Current taxes (domestic)	-87	-77
Current taxes (foreign)	-719	-677
Deferred taxes (domestic)	-122	205
Deferred taxes (foreign)	239	125
Income tax expense	**-689**	**-424**

The following table shows the reconciliation of the expected tax expense to the reported tax expense:

€ millions	2024	2023
Earnings before tax	**1,888**	**1,618**
Expected tax expense at the domestic tax rate	**-580**	**-497**
Foreign tax rate differences	148	204
Non-deductible expenses and non-imputable withholding taxes	-291	-190
Incentives and tax holidays	169	109
Non-recognition of deferred tax assets unlikely to be realized	-311	-64
Initial recognition of deferred tax assets likely to be realized	33	84
Realization of previously non-recognized deferred taxes	12	16
Local income tax with different tax base and minimum corporate tax rate	-122	-46
Taxes for previous years	228	14
Effects from changes in enacted tax rate	17	11
Other	8	-64
Income tax expense	**-689**	**-424**
Effective tax rate in %	**36.5**	**26.2**

The average domestic tax rate in 2024 was 30.7% (PY: 30.7%). This took into account a corporate tax rate of 15.0% (PY: 15.0%), a solidarity surcharge of 5.5% (PY: 5.5%) and a trade tax rate of 14.9% (PY: 14.8%).

The reduction in the tax expense from foreign tax rate differences primarily reflects the volume of activities in Asia and Eastern Europe.

As in the previous year, foreign tax rate differences as well as incentives and tax holidays had positive effects in the year under review. The tax rate was negatively impacted by non-cash allowances on deferred tax assets totaling €311 million (PY: €64 million), of which €258 million (PY: €42 million) was for previous years. Furthermore, as in the previous year, the tax rate was negatively affected by non-deductible expenses and non-imputable foreign withholding taxes. The increase compared with the previous year is due, among other things, to non-deductible operating expenses in connection with dividend distributions from subsidiaries, which were made as a preparatory measure for the planned spin-off of the Automotive and Contract Manufacturing segments. In the year under review, local income taxes of €122 million (PY: €46 million) were incurred with a different tax base or from minimum tax regulations. This was attributable to local income taxes in Hungary and the alternative minimum tax in the USA and Romania. It also includes expenses of €55 million in connection with the regulations governing a global minimum corporate tax rate (Pillar Two Model Rules). This relates to provisions for future payment obligations at the level of Continental AG as a partially owned parent entity (POPE) both for subsidiaries abroad in whose countries no local minimum tax under Pillar Two has been introduced and for subsidiaries based in countries that levy local minimum taxes.

As in the previous year, the utilization of incentives in Europe, Asia and the USA as well as in Brazil and Mexico had a positive impact on the tax rate.

Prior-year taxes had a positive impact of €228 million in the reporting year. These were largely attributable to Germany and related to the results of tax audits and revised tax returns.

The effects from the change in enacted tax rate relate to the remeasurement of deferred tax assets and liabilities due to changes in the law already taking effect with regard to future applicable tax rates.

In the previous year, the "Other" item included tax burdens incurred from internal restructuring.

The following table shows the total income tax expense, also including the items reported under reserves recognized directly in equity:

€ millions	Dec. 31, 2024	Dec. 31, 2023
Income tax expense (acc. to consolidated statement of income)	**–689**	**–424**
Tax income on other comprehensive income	–57	107
Remeasurement of defined benefit plans	–51	104
Remeasurement of other financial investments	–2	3
Investment in equity-accounted investees	–	0
Currency translation	–4	–1
Total income tax expense	**–746**	**–317**

Notes to the Consolidated Statement of Financial Position

13. Goodwill and Other Intangible Assets

€ millions	**Goodwill**	Capitalized development expenses	Other intangible assets	Advances to suppliers	**Total other intangible assets**
As at January 1, 2023					
Cost	**7,943**	544	3,199	36	**3,778**
Accumulated amortization	**-4,725**	-374	-2,430	–	**-2,805**
Book value	**3,218**	**170**	**768**	**36**	**974**
Net change in 2023					
Book value	**3,218**	170	768	36	**974**
Exchange-rate changes	**-40**	-2	-18	0	**-20**
Additions	**–**	18	22	4	**44**
Additions from the first-time consolidation of subsidiaries	**9**	–	41	0	**41**
Amounts disposed of through disposal of subsidiaries	**–**	–	0	–	**0**
Transfers	**–**	0	32	-32	**0**
Disposals	**–**	0	0	-1	**-1**
Amortization	**–**	-50	-167	–	**-217**
Impairment	**–**	–	–	–	**–**
Book value	**3,187**	**135**	**679**	**7**	**820**
As at December 31, 2023					
Cost	**7,871**	525	3,195	7	**3,727**
Accumulated amortization	**-4,683**	-390	-2,516	0	**-2,906**
Book value	**3,187**	**135**	**679**	**7**	**820**
Net change in 2024					
Book value	**3,187**	135	679	7	**820**
Exchange-rate changes	**21**	-1	14	0	**13**
Additions	**–**	16	22	3	**41**
Additions from the first-time consolidation of subsidiaries	**-1**	–	0	–	**0**
Amounts disposed of through disposal of subsidiaries	**-43**	–	-44	–	**-44**
Transfers	**0**	0	3	-3	**0**
Disposals	**–**	0	-4	0	**-4**
Amortization	**–**	-52	-155	–	**-208**
Book value	**3,165**	**98**	**515**	**7**	**619**
As at December 31, 2024					
Cost	**7,847**	520	3,072	7	**3,599**
Accumulated amortization	**-4,683**	-422	-2,557	0	**-2,979**
Book value	**3,165**	**98**	**515**	**7**	**619**

The disposal of goodwill in 2024 totaling €43 million in the Automotive segment resulted mainly from the sale of some operations in the Autonomous Mobility business area. Goodwill was also reduced by a total of €1 million due to the final purchase price allocation for the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden, in the previous year. Please see Note 5. The addition to goodwill in the previous year amounting to €9 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

The carrying amount of goodwill relates principally to the acquisitions of Siemens VDO (2007), Continental Teves (1998), the automotive electronics business from Motorola (2006), Elektrobit Automotive (2015) and Veyance Technologies (2015).

No impairment of intangible assets was incurred in the reporting period.

The table below shows the goodwill of each cash-generating unit (CGU), in line with the applicable organizational structure in the respective fiscal year, which forms the basis for operational internal control:

	Goodwill		
€ millions	**Dec. 31, 2024**		Dec. 31, 2023
Safety and Motion[1]	975	Safety and Motion[1]	992
Architecture and Network Solutions[1, 2, 3]	139		
		Smart Mobility[2]	784
Autonomous Mobility[2]	755	Autonomous Mobility	366
		Software and Central Technologies[3]	17
Automotive Aftermarket[2]	254		
Continental Engineering Services[3]	7		
Automotive	**2,129**	**Automotive**	**2,160**
Original Equipment	2	Original Equipment	2
Replacement EMEA (Europe, the Middle East and Africa)	170	Replacement EMEA (Europe, the Middle East and Africa)	172
Replacement APAC (Asia-Pacific region)	197	Replacement APAC (Asia-Pacific region)	203
Replacement The Americas (North, Central and South America)	17	Replacement The Americas (North, Central and South America)	16
Specialty Tires	20	Specialty Tires	19
Tires	**407**	**Tires**	**411**
Surface Solutions	125	Surface Solutions	126
Original Equipment Solutions[4]	130		
Industrial Solutions Americas[4]	246		
Industrial Solutions APAC[4]	87		
Industrial Solutions EMEA[4]	40		
		Special Technologies and Solutions[4]	2
		Conveying Solutions[4]	131
		Mobile Fluid Systems[4]	50
		Industrial Fluid Solutions[4]	154
		Power Transmission Group[4]	49
		Advanced Dynamics Solutions[4]	105
ContiTech	**629**	**ContiTech**	**616**
Continental Group	**3,165**	**Continental Group**	**3,187**

1 Since November 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Safety and Motion has been allocated to Architecture and Network Solutions.
2 Since January 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Smart Mobility has been allocated to Architecture and Network Solutions, Autonomous Mobility and Automotive Aftermarket.
3 Since November 2024: As part of the restructuring of the CGUs in the Automotive segment, the goodwill of Software and Central Technologies has been allocated to Architecture and Network Solutions and Continental Engineering Services.
4 Since January 2024: As part of the restructuring of the CGUs of the ContiTech segment, goodwill has been reallocated.

The additions to the purchased intangible assets relate mainly to software in the amount of €22 million (PY: €22 million).

Under IAS 38, *Intangible Assets*, €16 million (PY: €18 million) of the total development costs incurred in 2024 qualified for recognition as an asset.

Amortization of other intangible assets amounted to €208 million (PY: €218 million). Of this, €166 million (PY: €174 million) is included in the consolidated statement of income under cost of sales and €42 million (PY: €44 million) under administrative expenses.

The other intangible assets include carrying amounts adjusted for translation-related exchange-rate effects and not subject to amortization in the amount of €40 million (PY: €40 million). These relate in particular to the Elektrobit brand name (Architecture and Network Solutions CGU) in the amount of €30 million (PY: €30 million), the Phoenix brand name (Industrial Solutions EMEA and Original Equipment Solutions CGUs) in the amount of €4 million (PY: €4 million) and the Matador brand name (Replacement EMEA [Europe, the Middle East and Africa] CGU) in the amount of €3 million (PY: €3 million). The purchased intangible assets also include the carrying amounts of software amounting to €122 million (PY: €141 million), which are amortized on a straight-line basis as scheduled.

14. Property, Plant and Equipment

In the Automotive segment, investments were made primarily at locations in Germany, Serbia, Romania, Mexico, China, Lithuania, the Czech Republic, the USA and Hungary. In particular, production capacity was increased in the Safety and Motion, User Experience, Architecture and Network Solutions, and Autonomous Mobility business areas. There were major additions related to the construction of new manufacturing plants for electronic brake systems and innovative display and operating solutions, as well as vehicle electronics such as high-performance computers and radar and camera solutions. Investments were made in the development of production sites in Novi Sad, Serbia; and Kaunas, Lithuania.

In the Tires segment, investments were made to optimize and expand production capacity at existing plants in European best-cost locations and in the USA, China, Germany and Thailand. There were major additions related to the expansion of the production site in Hefei, China. Quality assurance and cost-cutting measures were implemented as well.

In the ContiTech segment, investments were made to expand production capacity in Germany, the USA, Mexico, China, Brazil, Romania and Hungary. There were major additions related to the expansion of production capacity in selected growth markets for the Industrial Solutions Americas, Surface Solutions, Original Equipment Solutions and Industrial Solutions EMEA business areas. In addition, investments were made in all business areas to optimize existing production processes.

In the Contract Manufacturing segment, the capital expenditure was primarily attributable to production equipment for the manufacture of specific products and the implementation of new technologies.

The addition to property, plant and equipment from changes in the scope of consolidation totaling €1 million resulted mainly from the acquisition of EMT Púchov s.r.o., Puchov, Slovakia. The addition to property, plant and equipment in the previous year amounting to €57 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

Impairment on property, plant and equipment resulted in expenses totaling €36 million (PY: €49 million), of which €36 million (PY: €30 million) was attributable to the functional area of cost of sales and around €0 million (PY: €19 million) to administrative expenses. The impairments were incurred mainly due to the scrapping of machinery. There was no reversal of impairment losses on property, plant and equipment in the reporting period (PY: €0 million in cost of sales).

Government investment grants of €27 million (PY: €29 million) were deducted directly from cost.

As in the previous year, no borrowing costs were capitalized when applying IAS 23, *Borrowing Costs*.

There are restrictions on title and property, plant and equipment pledged as security for liabilities in the amount of €9 million (PY: €9 million).

Please see Note 15 for information on the right-of-use assets that are recognized under property, plant and equipment in accordance with IFRS 16, *Leases*.

€ millions	Land, land rights and buildings[1]	Technical equipment and machinery	Other equipment, factory and office equipment	Advances to suppliers and assets under construction	**Total**
As at January 1, 2023					
Cost	5,687	18,643	3,092	2,022	**29,443**
Accumulated depreciation	–2,607	–14,042	–2,379	–109	**–19,137**
Book value	**3,080**	**4,601**	**712**	**1,913**	**10,306**
Net change in 2023					
Book value	3,080	4,601	712	1,913	**10,306**
Exchange-rate changes	–36	–49	–5	–7	**–98**
Additions	127	497	173	1,302	**2,099**
Additions from the first-time consolidation of subsidiaries	25	23	8	2	**57**
Amounts disposed of through disposal of subsidiaries	–	–	0	–	**0**
Reclassification to/from assets held for sale	–11	0	0	0	**–11**
Transfers	438	693	117	–1,248	**0**
Disposals	–9	–48	–5	–8	**–70**
Depreciation	–207	–1,198	–231	–	**–1,637**
Impairment[2]	–29	–10	0	–10	**–49**
Book value	**3,377**	**4,508**	**769**	**1,944**	**10,598**
As at December 31, 2023					
Cost	5,992	18,996	3,240	2,006	**30,234**
Accumulated depreciation	–2,615	–14,488	–2,470	–62	**–19,636**
Book value	**3,377**	**4,508**	**769**	**1,944**	**10,598**
Net change in 2024					
Book value	3,377	4,508	769	1,944	**10,598**
Exchange-rate changes	13	0	–3	–28	**–18**
Additions	65	530	142	1,175	**1,913**
Additions from the first-time consolidation of subsidiaries	–	1	0	0	**1**
Amounts disposed of through disposal of subsidiaries	–2	–4	–8	0	**–14**
Reclassification to/from assets held for sale	3	–	–	–	**3**
Transfers	289	812	128	–1,229	**0**
Disposals	–10	–35	–4	–2	**–51**
Depreciation	–220	–1,200	–232	–	**–1,651**
Impairment[2]	–1	–28	–3	–3	**–36**
Book value	**3,514**	**4,584**	**790**	**1,856**	**10,744**
As at December 31, 2024					
Cost	6,352	19,630	3,313	1,892	**31,187**
Accumulated depreciation	–2,839	–15,047	–2,522	–36	**–20,444**
Book value	**3,514**	**4,584**	**790**	**1,856**	**10,744**

1 Investment property is shown separately in Note 16.
2 Impairment also includes necessary reversals of impairment losses.

15. Leases

In addition to the comments in Note 2, the disclosure requirements arising from IFRS 16, *Leases*, are grouped together in this note.

Continental Group as lessee

Right-of-use assets

The right-of-use assets recognized from leases relate primarily to the leasing of land and buildings at various locations worldwide. To a small extent, right-of-use assets are recognized for technical equipment and machinery as well as other equipment, factory and office equipment.

Additions within the right-of-use assets amounted to €267 million for the reporting year (PY: €312 million). These resulted mainly from additions to land and buildings in the amount of €205 million (PY: €256 million) and from additions to other equipment, factory and office equipment in the amount of €59 million (PY: €55 million).

The additions to right-of-use assets due to changes in the scope of consolidation in the amount of €2 million resulted mainly from the acquisition of EMT Púchov s.r.o., Puchov, Slovakia. In the previous year, the additions to right-of-use assets due to changes in the scope of consolidation totaling €4 million resulted mainly from the acquisition of Printing Solutions Sweden Holding AB, Trelleborg, Sweden.

Impairment on right-of-use assets resulted in expenses totaling €1 million (PY: €10 million), of which €1 million (PY: €10 million) was attributable to the functional area of administrative expenses and around €0 million (PY: €– million) to research and development expenses. In the previous year, around €0 million was attributable to selling and logistics expenses.

The impairment mainly related to administrative buildings in the amount of €1 million (PY: €10 million). There was no reversal of impairment losses on right-of-use assets in the reporting period (PY: €2 million in selling and logistics expenses).

The right-of-use assets reported as at December 31, 2024, in the amount of €1,055 million (PY: €1,124 million) correspond to 8.9% (PY: 9.6%) of all property, plant and equipment of the Continental Group. The weighted average lease term is approximately six years (PY: approx. five years) for right-of-use assets for land and buildings, approximately three years (PY: approx. three years) for right-of-use assets for technical equipment and machinery, and approximately four years (PY: approx. four years) for right-of-use assets for other equipment, factory and office equipment.

The development of right-of-use assets in the reporting year was as follows:

€ millions	Right of use for land and buildings	Right of use for technical equipment and machinery	Right of use for other equipment, factory and office equipment	**Total**
As at January 1, 2023				
Cost	2,014	13	148	**2,175**
Accumulated amortization	-923	-8	-83	**-1,014**
Book value	**1,091**	**5**	**66**	**1,161**
Net change in 2023				
Book value	1,091	5	66	**1,161**
Exchange-rate changes	-9	0	-1	**-10**
Additions	256	2	55	**312**
Additions from the first-time consolidation of subsidiaries	3	0	0	**4**
Amounts disposed of through disposal of subsidiaries	0	–	–	**0**
Transfers	0	0	0	**0**
Disposals	-18	0	-3	**-22**
Amortization	-271	-3	-40	**-314**
Impairment[1]	-8	–	–	**-8**
Book value	**1,044**	**4**	**77**	**1,124**
As at December 31, 2023				
Cost	2,135	12	160	**2,307**
Accumulated amortization	-1,091	-8	-84	**-1,183**
Book value	**1,044**	**4**	**77**	**1,124**
Net change in 2024				
Book value	1,044	4	77	**1,124**
Exchange-rate changes	-5	0	0	**-5**
Additions	205	3	59	**267**
Additions from the first-time consolidation of subsidiaries	2	1	0	**2**
Amounts disposed of through disposal of subsidiaries	-3	–	0	**-4**
Transfers	0	0	0	**0**
Disposals	-10	0	-5	**-14**
Amortization	-267	-2	-45	**-314**
Impairment	-1	–	–	**-1**
Book value	**964**	**4**	**86**	**1,055**
As at December 31, 2024				
Cost	2,197	12	173	**2,383**
Accumulated amortization	-1,233	-8	-87	**-1,328**
Book value	**964**	**4**	**86**	**1,055**

1 Impairment also includes necessary reversals of impairment losses.

Lease liabilities

As at the end of the reporting period, lease liabilities amounted to €1,141 million (PY: €1,202 million). Future cash outflows resulting from leases are shown in the following table:

€ millions	**2024**	2023
Less than one year	324	311
One to two years	275	260
Two to three years	206	213
Three to four years	148	158
Four to five years	94	115
More than five years	177	228
Total undiscounted lease liabilities	**1,225**	**1,284**
Lease liabilities as at December 31	**1,141**	**1,202**
Current	297	286
Non-current	844	916

In the reporting year, the following amounts were recognized in the income statement:

€ millions	**2024**	2023
Interest expenses on lease liabilities	31	28
Expenses relating to short-term leases	27	27
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3	2
Expenses from variable lease payments not included in the measurement of lease liabilities	147	644
Income from subleasing right-of-use assets	2	2

In the reporting year, the following amounts were recognized in the statement of cash flows:

€ millions	**2024**	2023
Cash outflow for leases	525	1,009

In addition to cash outflows for the interest and principal portion of recognized lease liabilities, the cash outflow for leases also includes variable lease payments and lease payments for unrecognized leases for low-value assets as well as for short-term leases.

Potential future cash outflows

The leases recognized as at December 31, 2024, include options that were not considered reasonably certain as at the reporting date and are not included in the measurement of lease liabilities. These options may result in potential future cash outflows over the coming fiscal years.

The leases in some cases include variable lease payments as well as extension, termination and purchase options. As a rule, the Continental Group endeavors to include extension and termination options in new leases in order to ensure operational flexibility. For the initial measurement of lease liabilities, such options are recognized once it is reasonably certain that they will be exercised. If a significant event or a significant change in circumstances occurs that is within Continental's control, this will be taken into account accordingly in the remeasurement of lease liabilities. As at the end of the reporting period, potential future lease payments of €678 million (PY: €751 million) from such options were not included in the measurement of lease liabilities. Potential future cash outflows of €77 million (PY: €201 million) arising from variable lease payments were likewise not included in the measurement of lease liabilities as at the end of the reporting period. The year-on-year change is mainly due to the gradual reduction in contract manufacturing with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024).

The future scope of obligations arising from leases to which Continental is committed but that had not yet commenced as at the balance sheet date amounted to €23 million (PY: €18 million).

The Continental Group estimates the potential cash outflow from residual value guarantees, which were not included in the measurement of the lease liability as at the reporting date, at around €0 million (PY: €0 million).

Contract manufacturing

In 2018, the Continental Group concluded a framework agreement on contract manufacturing with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024). In cases where the

Schaeffler Group manufactures products on behalf of the Continental Group in a contract manufacturing plant, the agreement in certain cases includes an embedded lease whereby Continental acts as lessee of the production equipment and bears the investment risk. Due to variable lease payments from Continental to the Schaeffler Group, which are made according to customer calls for delivery, no right-of-use assets or corresponding lease liabilities are recognized. In the fiscal year under review, the expenses for variable lease payments due to contract manufacturing amounted to €138 million (PY: €642 million). In connection with contract manufacturing, the Continental Group expects future cash outflows from variable lease payments of €48 million (PY: €201 million) for the remaining lease terms.

Continental Group as lessor

The Continental Group acts as lessor in some business relationships. These constitute operating leases as well as finance leases. Whereas for operating leases the Continental Group retains the material risks and rewards incidental to ownership, for finance leases these are transferred to the lessee.

Operating leases

Lease income from operating leases in which the Continental Group acts as lessor amounted to €4 million (PY: €3 million). These related primarily to the (sub)leasing of land and buildings.

Future cash inflows resulting from operating leases as at the end of the reporting period are shown in the following table:

€ millions	**2024**	2023
Less than one year	1	2
One to two years	0	2
Two to three years	0	0
Three to four years	–	0
Four to five years	–	–
More than five years	–	–
Total undiscounted lease payments	**1**	**5**

Contract manufacturing

Insofar as the Continental Group manufactures products on behalf of the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024) as part of contract manufacturing, the agreement in certain cases includes an embedded lease whereby Continental acts as lessor. Such leases are classified as operating leases. The Continental Group receives variable lease payments depending on customer calls for delivery. Income in the reporting year related to payments due to contract manufacturing amounted to €244 million (PY: €536 million).

Finance leases

The Continental Group acts exclusively as a sublessor of leased land and buildings. As these subleases extend beyond the total remaining term of the head lease, they are classified as finance leases.

Future cash inflows resulting from finance leases and financial income not yet realized as at the end of the reporting period are shown in the following table:

€ millions	**2024**	2023
Less than one year	5	5
One to two years	5	5
Two to three years	5	5
Three to four years	3	5
Four to five years	0	2
More than five years	–	0
Total undiscounted receivables from lease payments	**18**	**22**
Financial income not yet realized	0	0
Net investments in leases	**18**	**22**

In the fiscal year, as in the previous year, there was only insignificant financial income on net investments in leases. The fair value of the receivables from finance leases does not differ materially from the carrying amount of the finance lease receivables.

16. Investment Property

€ millions	**2024**	2023
Cost as at January 1	19	21
Accumulated depreciation as at January 1	-8	-9
Net change		
Book value as at January 1	**11**	**12**
Exchange-rate changes	0	0
Reclassifications	–	0
Depreciation	0	0
Book value as at December 31	**11**	**11**
Cost as at December 31	19	19
Accumulated depreciation as at December 31	-8	-8

The fair value – determined using the gross rental method on the basis of company-internal calculations (Level 3 of the fair value hierarchy) – of land and buildings accounted for as investment property as at December 31, 2024, amounted to €25 million (PY: €26 million). Rental income in 2024 amounted to €5 million (PY: €3 million), while associated maintenance costs of €3 million (PY: €1 million) were incurred.

17. Investments in Equity-Accounted Investees

€ millions	2024	2023
As at January 1	**299**	**305**
Additions	3	2
Disposals	25	–1
Changes in the consolidation method, and transfers	5	0
Share of earnings	32	43
Impairment and reversals of impairment losses	0	3
Dividends received	–40	–45
Changes in other comprehensive income	–1	0
Exchange-rate changes	4	–8
As at December 31	**326**	**299**

Investments in equity-accounted investees include carrying amounts of joint ventures in the amount of €205 million (PY: €186 million) and of associates in the amount of €121 million (PY: €112 million).

All investments are accounted for using the equity method.

As no finalized data for the current year is available at the end of the given reporting period, the carrying amounts of the investments for the respective periods are initially estimated on the basis of earnings forecast data. Once finalized financial figures are available, the carrying amounts are adjusted in the subsequent period under "Share of earnings for prior years."

For the following material joint ventures and associates, the figures taken from the last two available sets of financial statements (2023 and 2022) are summarized as follows. Amounts are stated at 100%. Furthermore, the share of net assets has been reconciled to the respective carrying amount of the investment.

A material joint venture of the Tires segment is MC Projects B.V., Maastricht, Netherlands, plus its subsidiaries. The company, which is jointly controlled by Continental Global Holding Netherlands B.V., Maastricht, Netherlands, and Compagnie Financière Michelin SAS, Clermont-Ferrand, France, each holding 50% of the voting rights, mainly supplies tire-wheel assemblies to automotive manufacturers. Michelin contributed the rights to the Uniroyal brand for Europe to the joint venture. MC Projects B.V. licenses these rights to Continental.

A material joint venture of the Automotive segment is Shanghai Automotive Brake Systems Co., Ltd., Shanghai, China. Continental Holding China Co., Ltd., Shanghai, China, holds 49% of the voting rights in Shanghai Automotive Brake Systems Co., Ltd., Shanghai, China, which is jointly controlled with Huayu Automotive Systems Co., Ltd., Shanghai, China. The main business purpose of the company is the production of hydraulic brake systems for the Chinese market.

	MC Projects B.V.		Shanghai Automotive Brake Systems Co., Ltd.	
€ millions	2023	2022	2023	2022
Dividends received	6	2	15	16
Current assets	155	167	238	240
thereof cash and cash equivalents	38	32	77	79
Non-current assets	125	135	68	86
Total assets	280	302	306	326
Current liabilities	111	122	113	121
thereof short-term financial liabilities	0	0	–	–
Non-current liabilities	42	49	8	9
thereof long-term financial liabilities	1	1	–	–
Total liabilities	153	170	121	129
Sales	156	143	360	379
Interest income	0	0	1	2
Interest expense	0	0	–	–
Depreciation and amortization	20	21	17	19
Earnings from continuing operations	9	4	31	33
Other comprehensive income	-2	0	–	–
Income tax expense	4	1	3	3
Earnings after tax	7	4	31	33
Net assets	127	132	185	197
Share of net assets	63	66	91	96
Goodwill	–	–	10	11
Exchange-rate changes	–	–	-13	-13
Change in other comprehensive income for the prior year	1	0	–	–
Share of earnings for prior years	-1	-3	1	–
Carrying amount	63	63	88	94

e.solutions GmbH, Ingolstadt, Germany is a material associate in the Automotive segment. The wholly owned Continental subsidiary Elektrobit Automotive GmbH, Erlangen, Germany, holds 51% of the voting rights in e.solutions GmbH, Ingolstadt, Germany. e.solutions GmbH, Ingolstadt, Germany, develops software for in-car infotainment systems, instrument clusters and communication modules as well their associated back-end systems for the Volkswagen Group.

€ millions	e.solutions GmbH 2023	2022
Dividends received	21	11
Current assets	591	470
Non-current assets	9	8
Total assets	600	478
Current liabilities	35	48
Non-current liabilities	528	394
Total liabilities	563	441
Sales	202	170
Interest income	6	1
Interest expense	0	0
Depreciation and amortization	3	3
Earnings from continuing operations	37	31
Other comprehensive income	0	0
Income tax expense	20	14
Earnings after tax	37	31
Net assets	37	37
Share of net assets	19	19
Effects of purchase price allocation	–	0
Share of earnings for prior years	4	4
Share of profits distributed to shareholders	19	21
Carrying amount	42	44

The figures taken from the last two available sets of financial statements (2023 and 2022) for the joint ventures and associates that are not material to the Continental Group are summarized as follows. Amounts are stated in line with the proportion of ownership interest.

	Associates		Joint ventures	
€ millions	2023	2022	2023	2022
Earnings from continuing operations	3	2	0	–7
Earnings after tax	**3**	**2**	**0**	**–7**

18. Other Investments

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Investments in unconsolidated affiliated companies	20	23
Other participations	88	95
Other investments	**108**	**118**

Other investments are accounted for at fair value. Changes are recognized in other comprehensive income.

With regard to year-on-year changes in the carrying amount, -€5 million (PY: -€65 million) resulted from changes in fair value, €7 million (PY: €15 million) from additions, €6 million (PY: €0 million) from disposals, €7 million (PY: €0 million) from reclassifications and €2 million (PY: -€2 million) from exchange-rate effects.

Dividends received from other investments amounted to €0 million in the reporting year (PY: €1 million).

There is currently no intention to sell any of the other investments.

19. Deferred Taxes

Deferred taxes developed as follows:

	Dec. 31, 2024						Dec. 31, 2023
€ millions	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Recognized in profit or loss**	**Changes in the scope of consolidation**	**Recognized in other comprehensive income**	Net
Other intangible assets and goodwill	919	-398	521	210	-5	-14	331
Property, plant and equipment	255	-356	-101	29	1	-25	-107
Inventories	430	-154	276	39	-1	-11	250
Other assets	243	-266	-23	9	1	-1	-32
Employee benefits less defined benefit assets	662	-31	631	14	-2	-56	675
Provisions for other risks and obligations	159	-15	144	-28	0	-1	174
Indebtedness and other financial liabilities	429	-30	399	-31	0	-3	434
Other differences	214	-168	46	-37	-3	-4	91
Allowable tax credits	79	–	79	-10	–	11	78
Tax losses carried forward and limitation of interest deduction	454	–	454	-78	-7	-9	548
Deferred taxes (before offsetting)	**3,844**	**-1,418**	**2,426**	**117**	**-16**	**-113**	**2,440**
Offsetting (IAS 12.74)	-1,321	1,321	–				–
Net deferred taxes	**2,523**	**-97**	**2,426**				**2,440**

€ millions	Dec. 31, 2023						Dec. 31, 2022
	Deferred tax assets	**Deferred tax liabilities**	**Net**	**Recognized in profit or loss**	**Changes in the scope of consolidation**	**Recognized in other comprehensive income**	Net
Other intangible assets and goodwill	783	-453	331	210	-9	29	101
Property, plant and equipment	272	-379	-107	38	-7	28	-166
inventories	390	-140	250	-2	0	-1	253
Other assets	209	-241	-32	-1	–	-1	-31
Employee benefits less defined benefit assets	718	-43	675	-28	–	106	597
Provisions for other risks and obligations	179	-6	174	7	–	-4	171
Indebtedness and other financial liabilities	489	-56	434	25	–	-1	410
Other differences	271	-180	91	-30	–	3	118
Allowable tax credits	78	–	78	17	–	-18	78
Tax losses carried forward and limitation of interest deduction	548	–	548	94	0	-17	471
Deferred taxes (before offsetting)	**3,938**	**-1,498**	**2,440**	**330**	**-16**	**125**	**2,002**
Offsetting (IAS 12.74)	-1,426	1,426	–				–
Net deferred taxes	**2,512**	**-72**	**2,440**				**2,002**

Deferred taxes are measured in accordance with IAS 12, *Income Taxes*, at the tax rate applicable for the periods in which they are expected to be realized. Since 2008, there has been a limit on the deductible interest that can be carried forward in Germany; the amount deductible under tax law is limited to 30% of taxable income before depreciation, amortization and interest.

Deferred tax assets were up €11 million at €2,523 million (PY: €2,512 million).

Deferred tax liabilities increased by €25 million year-on-year to €97 million (PY: €72 million).

As at December 31, 2024, the consolidated tax losses carried forward in Germany and abroad amounted to €6,027 million (PY: €5,141 million). The majority of the Continental Group's tax losses carried forward relate to foreign subsidiaries and are largely unlimited in terms of the time period for which they can be carried forward.

Deferred tax assets were not recognized in relation to the following items because it is currently not deemed sufficiently likely that they will be utilized:

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Temporary differences	296	265
Tax losses carried forward and limitation of interest deduction	3,655	2,086
Allowable tax credits	435	385
Total of all items for which no deferred tax assets were recognized	**4,386**	**2,736**

Of the deferred tax assets deemed unusable, tax losses carried forward and limitation of interest deduction of €2,836 million (PY: €1,346 million) can be used indefinitely, €763 million (PY: €689 million) expire within the next 10 years and €56 million (PY: €51 million) expire in more than 10 years. Of the deferred tax assets on allowable tax credits deemed unusable, €268 million (PY: €237 million) can be used indefinitely, €105 million (PY: €96 million) expire within the next 10 years and €62 million (PY: €53 million) expire in more than 10 years. Deferred tax assets arising from temporary differences can be used indefinitely.

As at December 31, 2024, some Continental Group companies and tax groups that reported a loss in the current or previous year recognized total deferred tax assets of €1,552 million (PY: €1,840 million), which arose from current losses, tax losses carried forward and a surplus of deferred tax assets. Given that future taxable income is expected, it is sufficiently probable that these deferred tax assets can be realized. This is to be achieved in particular through measures to optimize costs and increase efficiency in the Automotive segment, the expansion of production capacities in high-growth regions in the Tires segment, the continued strategic focus on industrial business in the ContiTech segment and the use of tax planning opportunities.

The temporary differences from retained earnings of foreign companies amounted to a total of €965 million (PY: €1,117 million). Deferred tax liabilities were not taken into account, since remittance to the parent company is not planned in the short or medium term.

20. Other Financial Assets

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Amounts receivable from related parties	1	–	1	–
Loans to third parties	–	113	–	129
Amounts receivable from employees	21	–	15	–
Other amounts receivable	107	139	120	144
Other financial assets	**128**	**252**	**136**	**272**

Amounts receivable from related parties related primarily to loans to associates.

Loans to third parties related mainly to loans to customers and suppliers with various maturities.

Amounts receivable from employees related mainly to preliminary payments for hourly wages and for other advances.

In particular, other amounts receivable include investment subsidies not yet utilized, amounts receivable from suppliers and customers, and investments. The carrying amounts of the other financial assets are essentially their fair values.

Please see Note 33 for information on the default risks in relation to other financial assets.

21. Other Assets

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Trade accounts receivable from the sale of customer tools	106	–	128	–
Tax refund claims (incl. VAT and other taxes)	391	–	386	–
Prepaid expenses	291	–	247	–
Other	288	19	383	24
Other assets	**1,077**	**19**	**1,144**	**24**

The tax refund claims primarily resulted from VAT receivables from the purchase of production materials.

The trade accounts receivable from the sale of customer tools related to costs that have not yet been invoiced.

In particular, prepaid expenses include license fees as well as rent and maintenance services paid for in advance.

Among other things, the “Other” item includes other advanced costs.

Impairment totaling €3 million (PY: €5 million) was recognized for the probable default risk on other assets.

22. Inventories

€ millions	Dec. 31, 2024	Dec. 31, 2023
Raw materials and supplies	2,493	2,606
Work in progress	723	776
Finished goods and merchandise	2,897	2,895
Inventories	**6,113**	**6,276**

Write-downs recognized on inventories increased by €35 million to €654 million (PY: €619 million). The amount for inventories recognized as expenses decreased by €2,164 million to €18,061 million (PY: €20,225 million).

23. Trade Accounts Receivable

€ millions	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	7,237	7,701
Loss allowances	–133	–132
Trade accounts receivable	**7,104**	**7,569**

The carrying amounts of the trade accounts receivable, net of loss allowances, are their fair values. Please see Note 32 for information on the default risks in relation to trade accounts receivable.

The Continental Group uses several programs for the sale of receivables. When the risks and rewards of receivables, in particular credit and default risks, have mostly not been transferred, the receivables are still recognized as assets in the statement of financial position.

Under the existing sale-of-receivables programs, the contractual rights to the receipt of payment inflows have been assigned to the corresponding contractual parties. The transferred receivables have short remaining terms. As a rule, therefore, the carrying amounts as at the reporting date in the amount of €548 million (PY: €611 million) are approximately equivalent to their fair value. The respective liabilities with a carrying amount of €299 million (PY: €321 million) represent the liquidation proceeds from the sale of the receivables. As in the previous year, this was approximately equivalent to their fair value. The committed financing volume under these sale-of-receivables programs amounts to €400 million (PY: €400 million).

24. Cash and Cash Equivalents

Cash and cash equivalents include all liquid funds and demand deposits. Cash equivalents are short-term, highly liquid financial investments that can be readily converted into known cash amounts and are subject to an insignificant risk of changes in value. As at the reporting date, cash and cash equivalents amounted to €2,966 million (PY: €2,923 million). Of that, €2,720 million (PY: €2,683 million) was unrestricted.

For information on the interest-rate risk and the sensitivity analysis for financial assets and liabilities, please see Note 32.

25. Assets Held for Sale

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Individual assets held for sale	–	11
Assets of a disposal group	–	–
Assets held for sale	**–**	**11**

The assets held for sale in the previous year in the amount of €11 million included in particular assets resulting from a plant closure and an administration building in the Tires segment.

26. Equity

The subscribed capital of Continental AG remained unchanged year-on-year. At the end of the reporting period it amounted to €512,015,316.48 and was composed of 200,005,983 no-par-value shares with a notional value of €2.56 per share.

Under the German Stock Corporation Act *(Aktiengesetz – AktG)*, the dividends distributable to the shareholders are based solely on Continental AG's retained earnings as at December 31, 2024, of €5,317 million (PY: €2,412 million), as reported in the annual financial statements prepared in accordance with the German Commercial Code. The increase in retained earnings is mainly due to preparatory measures for the planned spin-off of the Automotive and Contract Manufacturing segments. The Supervisory Board and Executive Board will propose to the Annual Shareholders' Meeting the payment of a dividend of €2.50 per share entitled to dividends. The total distribution is therefore €500,014,957.50 for 200,005,983 shares entitled to dividends. The remaining retained earnings are to be allocated in the amount of €4,817 million to other revenue reserves.

Non-controlling interests

The compiled financial information of fully consolidated subsidiaries with material non-controlling interests corresponds to the values prior to the implementation of consolidation measures.

Non-controlling interests

€ millions	Continental Automotive Corporation		Continental Automotive Corporation (Lianyungang) Co., Ltd.		ContiTech (Shandong) Engineered Rubber Products Co., Ltd.	
	2024	2023	**2024**	2023	**2024**	2023
Capital share of non-controlling interests in %	35.0	35.0	35.0	35.0	40.0	40.0
Current assets	409	424	222	216	225	197
Non-current assets	36	40	36	39	102	103
Total assets	445	463	257	254	326	300
Current liabilities	136	143	66	51	61	60
Non-current liabilities	7	7	0	0	3	4
Total liabilities	143	150	66	51	65	64
Net assets	303	313	191	203	261	236
Attributable to non-controlling interests	106	110	67	71	105	94
Sales	505	545	104	119	209	203
Earnings after tax	26	15	7	23	17	21
Attributable to non-controlling interests	9	5	2	8	7	8
Dividends to minority shareholders	9	9	9	4	–	–
Cash flow before financing activities (free cash flow)	39	96	13	23	20	36

27. Capital Management

The aim of the Continental Group is to maintain a strong capital base in order to preserve the trust of the capital market, customers and employees and to ensure the sustainable development of the company. To assess the achievement of these goals, the Continental Group uses the equity ratio (defined as equity reported in the statement of financial position, including non-controlling interests, divided by total assets) and the gearing ratio as key figures. The gearing ratio is calculated as net indebtedness (corresponding to the amount of interest-bearing financial liabilities, the fair values of derivative instruments, cash and cash equivalents, and other interest-bearing investments) divided by equity (as disclosed in the statement of financial position, including non-controlling interests). In general, the gearing ratio should be below 40% in the coming years. If justified by extraordinary financing reasons or specific market circumstances, we can rise above this ratio under certain conditions. The equity ratio should exceed 30%. The overall strategy of the Continental Group remained unchanged from the previous year. The Continental Group is not subject to any externally imposed capital requirements, and its main loan agreements do not currently contain any financial covenants.

The above key figures and parameters as at the reporting date were as follows:

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Total equity	14,798	14,125
Total assets	36,966	37,753
Equity ratio in %	**40.0**	**37.4**
Long-term indebtedness[1]	4,112	4,528
Short-term indebtedness[1]	2,797	2,642
Long-term derivative instruments and interest-bearing investments	–81	–89
Short-term derivative instruments and interest-bearing investments	–151	–120
Cash and cash equivalents	–2,966	–2,923
Net indebtedness	3,712	4,038
Gearing ratio in %	**25.1**	**28.6**

1 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

28. Employee Benefits

The following table outlines the employee benefits:

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Pension provisions (unfunded obligations and net liabilities from obligations and related funds)	–	2,654	–	2,692
Provisions for other post-employment benefits	–	123	–	132
Provisions for similar obligations	2	54	3	42
Other employee benefits	–	267	–	270
Liabilities for workers' compensation	32	17	32	12
Liabilities for payroll and personnel-related costs	898	–	912	–
Termination benefits	51	–	42	–
Liabilities for social security	193	–	183	–
Liabilities for vacation	205	–	218	–
Employee benefits	**1,380**	**3,116**	**1,391**	**3,148**
Defined benefit assets (difference between pension obligations and related funds)		**114**		**111**

Long-term employee benefits

Pension plans

In addition to statutory pension insurance, the majority of employees are also entitled to defined benefit or defined contribution plans after the end of their employment.

Our pension strategy is focusing on switching from defined benefit to defined contribution plans in order to offer both employees and the company a sustainable and readily understandable pension system.

Many defined benefit plans have been closed for new employees or future service and replaced by defined contribution plans.

In countries in which defined contribution plans are not possible for legal or economic reasons, defined benefit plans have been optimized or changed to minimize the associated risks of longevity, inflation and salary increases.

Defined benefit plans

Defined benefit plans include pension plans, termination indemnities regardless of the reason for the end of employment and other post-employment benefits. As a result of the significant increase in the number of employees in recent years and the high level of acquisition activity, pension obligations essentially relate to active employees. The defined benefit pension plans cover 162,350 beneficiaries, including 106,964 active employees, 26,891 former employees with vested benefits, and 28,495 retirees and surviving dependents. The pension obligations are concentrated in four countries: Germany, the USA, the United Kingdom and Canada, which account for more than 90% of total pension obligations.

The weighted average term of the defined benefit pension obligations is around 16 years. This term is based on the present value of the obligations.

Germany

In Germany, Continental provides pension benefits through the cash balance plan, prior commitments and deferred compensation.

The retirement plan regulation applicable to active members is based primarily on the cash balance plan and thus on benefit modules. When the insured event occurs, the retirement plan assets are paid out as a lump-sum benefit, in installments or as a pension, depending on the amount of the retirement plan assets. There are no material minimum guarantees in relation to a particular amount of retirement benefits.

Pension plans transferred to or assumed by Continental in the context of acquisitions (Siemens VDO, Temic, Teves, Phoenix) were included in the cash balance plan. For the main German companies, the cash balance plan is partly covered by funds in contractual trust arrangements (CTAs). In Germany, there are no legal or regulatory minimum funding requirements.

The CTAs are legally independent from the company and manage the plan assets as trustees in accordance with the respective CTAs.

Some prior commitments were granted through two legally independent pension contribution funds. Pensionskasse für Angestellte der Continental Aktiengesellschaft VVaG and Pensionskasse von 1925 der Phoenix AG VVaG have been closed since March 1, 1984, and July 1, 1983, respectively. The pension contribution funds are smaller associations within the meaning of Section 53 of the German Insurance Supervision Act *(Versicherungsaufsichtsgesetz – VAG)* and are subject to the supervision of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). The investment regulations are in accordance with the legal requirements and risk structure of the obligations. The pension contribution funds have tariffs with an interest rate of 2.5% or 2.25%. Under the German Company Pensions Law

(Betriebsrentengesetz – BetrAVG), Continental is ultimately liable for the implementation path of the pension contribution fund. In accordance with IAS 19, *Employee Benefits*, the pension obligations covered by the pension contribution fund are therefore defined benefit pension plans. The pension contribution funds met their minimum net funding requirement as at December 31, 2024. However, given that only the plan members are entitled to the assets and amounts generated, the benefit obligations are recognized in the same amount as the existing assets at fair value.

Continental also supports private contribution through deferred compensation schemes.

Deferred compensation is essentially offered through a fully funded multi-employer plan (Höchster Pensionskasse VVaG) for contributions up to 4% of the assessment ceiling in social security. The pension contribution fund ensures guaranteed minimum interest for which Continental is ultimately liable under the German Company Pensions Law. The company is not liable for guarantees to employees of other companies. As Höchster Pensionskasse VVaG is a combined defined benefit plan for several companies and Continental has no right to the information required for accounting for this defined benefit plan, this plan is recognized as a defined contribution plan.

Entitled employees can use the cash balance plan for deferred compensation contributions above the 4% assessment ceiling. This share is funded by insurance annuity contracts.

USA

Owing to its acquisition history, Continental has various defined benefit plans in the USA, which were closed to new entrants and frozen to accretion of further benefits in a period from April 1, 2005, to December 31, 2011. In 2017, acquisitions also included an open defined benefit plan for unionized employees.

The closed defined benefit plans are commitments on the basis of the average final salary and cash balance commitments. The defined benefit plans for unionized and non-unionized employees are based on a pension multiplier per year of service.

Closed defined benefit plans were replaced by defined contribution plans. Defined contribution plans apply to the majority of active employees in the USA.

Due to the sound financing status and possible split-up of the Continental Group, efforts are currently being made to push for additional funding.

The plan assets of the defined benefit plans are managed in a master trust. Investment supervision was delegated to the Pension Committee, a body appointed within the Continental Group. The legal and regulatory framework for the plans is based on the US Employee Retirement Income Security Act (ERISA).

The valuation of the financing level is required on the basis of this law. The interest rate used for this calculation is the average rate over a period of 25 years and therefore currently higher than the interest rate used to discount obligations under IAS 19. The statutory valuation therefore gives rise to a lower obligation than that in line with IAS 19. There is a regulatory requirement to ensure minimum funding of 80% in the defined benefit plans to prevent benefit curtailments.

United Kingdom

Continental maintains four defined benefit plans as a result of its history of acquisitions in the United Kingdom. All plans are commitments on the basis of the average or final salary. The four plans were closed to new employees in the period between April 1, 2002, and November 30, 2004. Continental offers defined contribution plans for all employees who have joined the company since that time.

As at April 5, 2016, the Continental Group Pension and Life Assurance Scheme was frozen to accretion of further benefits. It was replaced by a defined contribution plan as at April 6, 2016.

As at July 31, 2017, the Mannesmann UK Pension Scheme was frozen to accretion of further benefits. It was replaced by a defined contribution plan as at August 1, 2017.

Our pension strategy in the UK focuses on reducing risks and includes the option of partial or complete funding by purchasing annuities. The rise in interest rates and the good funded status currently present opportunities to push for partial or complete funding. The receptivity of the insurance market is currently limited.

The funding conditions are defined by the UK Pensions Regulator and the corresponding laws and regulations. The defined benefit plans are managed by trust companies. The boards of trustees of these companies have an obligation solely to the good of the beneficiaries on the basis of the trust agreement and the law.

The necessary funding is determined every three years through technical valuations in line with local provisions. The obligations are measured using a discount rate based on government bonds and other conservatively selected actuarial assumptions.

Compared with IAS 19, which derives the discount rate from senior corporate bonds, this usually results in a higher obligation. Three of the four defined benefit plans had a funding deficit on the basis of the most recent technical valuation. The trustees and the company have agreed on a recovery plan that provides for additional temporary annual payments. The valuation process must be completed within 15 months of the valuation date.

The most recent technical valuations of the four defined benefit pension plans took place with their valuation dates between December 2020 and March 2022 and led to the following result:

- Continental Teves UK Employee Benefit Scheme (assessment as at December 31, 2020): Due to the extraordinary allocation in 2021 of GBP 10.0 million and the scheduled payment of GBP 1.4 million in October 2021, there is no need for a recovery plan and therefore no further allocations are currently envisaged. The assessment as at December 31, 2023, is currently undergoing final coordination, and the statutory deadline for finalization is March 31, 2025. Due to the sound financing status, there is still no expectation that a recovery plan will be necessary.

- Continental Group Pension and Life Assurance Scheme: An agreement was concluded with an insurer in 2019 for a complete buy-out through the acquisition of annuities. The necessary data clarifications progressed in 2024 but have not yet been finalized. Completion is now expected in 2025 at the earliest.

- Mannesmann UK Pension Scheme (assessment as at March 31, 2022): As part of the assessment, an agreement was resolved on a monthly minimum endowment of GBP 175,000 until March 31, 2023, and a minimum monthly endowment of GBP 200,000 for the period from April 1, 2023, to August 31, 2026.

- Phoenix Dunlop Oil & Marine Pension Scheme (assessment as at December 31, 2021): As part of the assessment, an agreement was resolved on a minimum annual endowment of GBP 1.5 million and an annual adjustment of 3.5% over a period from April 1, 2023, to March 2028.

Canada

Continental maintains various defined benefit plans as a result of its history of acquisitions. The pension plans are based mainly on a pension multiplier per year of service.

Fluctuations in the amount of the pension obligation resulting from exchange-rate effects are subject to the same risks as overall business development. These fluctuations relate mainly to the currencies of the USA, Canada and the UK and have no material impact on Continental. For information on the effects of interest-rate risks and longevity risk on the pension obligations, please refer to the sensitivities described later on in this note.

The pension obligations for Germany, the USA, Canada, the UK and other countries, as well as the amounts for Continental as a whole, are shown in the following tables.

The reconciliation of the changes in the defined benefit obligations from the beginning to the end of the year is as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Defined benefit obligations as at January 1	**4,191**	**836**	**35**	**265**	**319**	**5,646**	**3,715**	**866**	**33**	**262**	**295**	**5,170**
Exchange-rate differences	–	50	-1	12	-14	47	–	-31	-1	5	5	-21
Current service cost	117	2	1	1	22	143	106	2	1	1	21	130
Service cost from plan amendments	–	0	–	–	0	0	–	–	–	–	0	0
Curtailments/settlements	–	–	–	–	-7	-7	–	–	–	–	0	0
Interest on defined benefit obligations	126	42	2	12	19	201	128	44	2	12	18	205
Actuarial gains/losses from changes in demographic assumptions	–	–	–	1	1	3	–	–	-1	-7	0	-8
Actuarial gains/losses from changes in financial assumptions	-206	-32	0	-24	13	-248	329	20	2	2	-1	351
Actuarial gains/losses from experience adjustments	64	2	2	0	3	70	35	1	0	3	7	45
Net changes in the scope of consolidation	–	–	–	–	–	–	–	–	–	–	0	0
Employee contributions	–	–	0	0	0	1	–	–	0	0	0	1
Other changes	2	–	–	–	12	14	2	–	–	–	0	2
Benefit payments	-129	-66	-2	-14	-27	-238	-123	-66	-2	-13	-27	-231
Defined benefit obligations as at December 31	**4,165**	**835**	**37**	**254**	**341**	**5,632**	**4,191**	**836**	**35**	**265**	**319**	**5,646**

The reconciliation of the changes in the fund assets from the beginning to the end of the year is as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Fair value of fund assets as at January 1	**1,735**	**855**	**36**	**312**	**129**	**3,065**	**1,722**	**882**	**32**	**300**	**129**	**3,064**
Exchange-rate differences	–	52	-1	14	-5	60	–	-32	0	6	-1	-27
Interest income from pension funds	57	43	2	15	7	125	60	45	2	14	7	129
Actuarial gains/losses from fund assets	30	-28	2	-28	-4	-27	29	25	3	-1	-2	54
Employer contributions	9	8	1	6	15	39	9	2	2	6	12	31
Employee contributions	–	–	0	0	0	1	–	–	0	0	0	1
Net changes in the scope of consolidation	–	–	–	–	–	0	–	–	–	–	0	0
Other changes	0	-1	0	0	10	8	-5	-1	0	–	0	-7
Benefit payments	-84	-66	-2	-14	-13	-179	-81	-66	-2	-13	-18	-179
Fair value of fund assets as at December 31	**1,747**	**863**	**38**	**305**	**139**	**3,092**	**1,735**	**855**	**36**	**312**	**129**	**3,066**

The carrying amount consisting of the defined benefit assets and the pension provisions decreased by €42 million compared with the previous year. This was primarily due to actuarial gains in all countries.

The defined benefit assets increased by €4 million year-on-year. This resulted primarily from the increase in payments into fund assets.

€5,528 million (PY: €5,558 million) of the defined benefit obligations as at December 31, 2024, related to plans that are fully or partially funded, and €104 million (PY: €88 million) related to plans that are unfunded.

The €14 million decrease in the defined benefit obligations compared with December 31, 2023, resulted in particular from actuarial gains from changes in financial assumptions.

The fund assets in Germany include the CTA assets amounting to €1,428 million (PY: €1,419 million), pension contribution fund assets of €169 million (PY: €175 million) and insurance annuity contracts amounting to €150 million (PY: €140 million).

Fund assets increased by €26 million in the reporting year to €3,092 million.

Actuarial gains and losses on fund assets in Germany resulted from actuarial gains of €30 million (PY: €30 million) from the CTAs.

In the Continental Group, there are pension contribution funds for previously defined contributions in Germany that have been closed to new entrants since July 1, 1983, and March 1, 1984, respectively. As at December 31, 2024, the minimum net funding requirement was exceeded; Continental AG has no requirement to make additional contributions. The pension fund assets had a fair value of €169 million as at December 31, 2024 (PY: €175 million). The pension contribution funds have tariffs with an interest rate of 2.5% or 2.25%. Under the German Company Pensions Law, Continental AG is ultimately liable for the implementation path of the pension contribution fund. It therefore constitutes a defined benefit pension plan that must be reported in line with the development of pension provisions. However, given that only the plan members are entitled to the assets and income generated, the benefit obligations are recognized in the same amount as the existing assets at fair value.

The following table shows the reconciliation of the funded status to the amounts contained in the statement of financial position:

	Dec. 31, 2024						Dec. 31, 2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Funded status[1]	**–2,418**	**28**	**1**	**51**	**–202**	**–2,540**	**–2,456**	**19**	**1**	**47**	**–191**	**–2,580**
Asset ceiling	–	–	–	–	–1	–1	–	–	–	–	–1	–1
Carrying amount	**–2,418**	**28**	**1**	**51**	**–203**	**–2,541**	**–2,456**	**19**	**1**	**47**	**–192**	**–2,582**

1 Difference between fund assets and defined benefit obligations.

The carrying amount comprises the following items of the statement of financial position:

	Dec. 31, 2024						Dec. 31, 2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Defined benefit assets	–	45	3	58	8	114	–	42	2	53	13	111
Pension provisions	–2,418	–17	–2	–7	–211	–2,654	–2,456	–23	–2	–6	–205	–2,692
Carrying amount	**–2,418**	**28**	**1**	**51**	**–203**	**–2,541**	**–2,456**	**19**	**–1**	**47**	**–192**	**–2,583**

The assumptions used to measure the pension obligations – in particular, the discount factors for determining the interest on expected pension obligations and the expected return on fund assets, as well as the long-term salary growth rates and the long-term pension trend – are specified for each country.

In the principal pension plans, the following weighted-average valuation factors as at December 31 of the year have been used:

	2024					2023				
%	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
Discount rate	3.45	5.60	4.65	5.54	5.82	3.14	5.15	4.65	4.68	6.18
Long-term salary growth rate	3.00	0.00	3.00	1.25	4.18	3.00	0.00	3.00	1.25	4.26

1 Not including the pension contribution funds.

Another parameter for measuring the pension obligation is the long-term pension trend. The following weighted average long-term pension trend was used as at December 31, 2024, for the key countries: Germany 2.2% (PY: 2.2%), Canada 0.0% (PY: 0.0%) and the United Kingdom 3.4% (PY: 3.2%). For the USA, the long-term pension trend does not constitute a significant measurement parameter.

The pension trend increased from 1.75% to 2.2% as at December 31, 2022, due to inflation and the associated pension increases in Germany.

Net pension cost can be summarized as follows:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Current service cost	117	2	1	1	22	143	106	2	1	1	21	130
Service cost from plan amendments	–	0	–	–	0	0	–	–	–	–	0	0
Curtailments/settlements	–	–	–	–	-7	-7	–	–	–	–	0	0
Interest on defined benefit obligations	126	42	2	12	19	201	128	44	2	12	18	205
Expected return on the pension funds	-57	-43	-2	-15	-7	-125	-60	-45	-2	-14	-7	-129
Effect of change of asset ceiling	–	–	–	–	0	0	–	–	–	–	0	0
Other pension income and expenses	–	1	0	0	-2	0	–	1	0	–	0	2
Net pension cost	**186**	**2**	**1**	**-1**	**25**	**213**	**174**	**3**	**1**	**-1**	**32**	**208**

The table below shows the changes in actuarial gains and losses that are reported directly in equity:

	2024						2023					
€ millions	**Germany**	**USA**	**Canada**	**UK**	**Other**	**Total**	Germany	USA	Canada	UK	Other	Total
Actuarial gains/losses from defined benefit obligations	-142	-30	2	-23	17	-175	363	20	2	-2	6	389
Actuarial gains/losses from fund assets	-30	28	-2	28	4	27	-29	-25	-3	1	2	-54
Actuarial gains/losses from asset ceiling	–	–	–	–	0	0	–	–	–	–	0	0
Actuarial gains/losses	**-172**	**-2**	**0**	**5**	**19**	**-150**	**334**	**-5**	**-1**	**-1**	**8**	**335**

Actuarial gains and losses arise from increases or decreases in the present value of the defined benefit obligation due to changes in the actuarial assumptions made. The increase in the discount factor in all countries in the 2024 reporting period compared with 2023 resulted in actuarial gains in all countries. The actuarial losses in the previous fiscal year resulted from a decline in interest rates compared with the prior year.

If the other assumptions remained constant, the changes in individual key actuarial assumptions that could reasonably have been possible at the reporting date would have impacted the defined benefit obligation by the following amounts. Although the analysis does not take account of the complete allocation of the cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

If the other assumptions are maintained, a 0.5-percentage-point increase or decrease in the discount rate used to discount pension obligations would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024					Dec. 31, 2023				
€ millions	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
0.5%-point increase										
Effects on service and interest cost	-5	-2	0	0	0	-6	-2	0	1	-1
Effects on benefit obligations	-304	-34	-3	-14	-14	-320	-36	-3	-16	-13
0.5%-point decrease										
Effects on service and interest cost	6	2	0	-1	0	6	2	0	-1	1
Effects on benefit obligations	347	37	3	15	15	366	39	3	17	14

1 Not including the pension contribution funds.

A 0.5-percentage-point increase or decrease in the long-term salary growth rate would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024				Dec. 31, 2023			
€ millions	**Germany**	**USA[1]**	**Canada**	**UK**	Germany	USA[1]	Canada	UK
0.5%-point increase								
Effects on benefit obligations	1	–	0	1	1	–	1	1
0.5%-point decrease								
Effects on benefit obligations	-1	–	0	-1	-1	–	0	-1

1 Any change in the long-term salary growth rate would have no effect on the value of the benefit obligations.

A 0.5-percentage-point increase or decrease in the long-term pension trend would have had the following impact on the pension obligations as at the end of the reporting period:

	Dec. 31, 2024				Dec. 31, 2023			
€ millions	**Germany**	**USA[1]**	**Canada**	**UK**	Germany	USA[1]	Canada	UK
0.5%-point increase								
Effects on benefit obligations	119	–	–	10	127	–	–	9
0.5%-point decrease								
Effects on benefit obligations	-111	–	–	-10	-116	–	–	-10

1 Any change in the long-term pension trend would have no effect on the value of the benefit obligations.

Changes in the discount rate and the salary and pension trends do not have a linear effect on the defined benefit obligations (DBO) owing to the financial models used (particularly due to the compounding of interest rates). For this reason, the net periodic pension cost derived from the pension obligations does not change by the same amount as a result of an increase or decrease in the actuarial assumptions.

In addition to the aforementioned sensitivities, the impact of a one-year-longer life expectancy on the value of benefit obligations was computed for the key countries. A one-year increase in life expectancy would lead to a €166 million (PY: €172 million) increase in the value of the benefit obligations, and that figure would be broken down as follows: Germany €133 million (PY: €139 million), USA €24 million (PY: €24 million), United Kingdom €8 million (PY: €9 million) and Canada €1 million (PY: €1 million). In Germany, increased payments in the form of pensions rather than capital were assumed in the actuarial valuation, which has the effect of increasing the benefit obligations. For the calculation of pension obligations for domestic plans, life expectancy is based on the 2018 G mortality tables by Prof. Klaus Heubeck. For foreign pension plans, comparable criteria are used for the respective country.

Plan assets

The structure of the Continental Group's plan assets is reviewed by the investment committees on an ongoing basis taking into account the forecast pension obligations. In doing so, the investment committees regularly review the investment decisions taken, the underlying expected returns of the individual asset classes reflecting empirical values and the selection of the external fund managers.

The portfolio structures of the pension funds at the measurement date for the fiscal years 2024 and 2023 are as follows:

%	**2024**					2023				
Asset class	**Germany[1]**	**USA**	**Canada**	**UK**	**Other**	Germany[1]	USA	Canada	UK	Other
Equity instruments	9	2	55	2	8	5	3	53	3	10
Debt securities	66	96	43	51	41	41	94	46	51	46
Real estate	8	–	–	0	2	8	–	–	0	1
Absolute return[2]	5	–	2	1	–	6	–	1	1	–
Cash, cash equivalents and other	12	2	–	13	21	40	3	–	11	24
Annuities[3]	–	–	–	33	28	–	–	–	34	19
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

1 The portfolio structure of the fund assets in Germany excludes the pension contribution funds whose assets are invested mainly in fixed-income securities and shares.
2 This refers to investment products that aim to achieve a positive return regardless of market fluctuations.
3 Annuities are insurance contracts that guarantee pension payments.

The following table shows the cash contributions made by the company to the pension funds for 2024 and 2023 as well as the expected contributions for 2025:

€ millions	2025 (expected)	**2024**	2023
Germany	–	9	9
USA	6	8	2
Canada	2	1	2
UK	4	6	6
Other	28	15	12
Total	**40**	**39**	**31**

The following overview contains the pension benefit payments made in the reporting year and the previous year, as well as the undiscounted, expected pension benefit payments for the next 10 years:

€ millions	Germany	USA	Canada	UK	Other	Total
Benefits paid						
2023	123	66	1	13	27	**230**
2024	129	66	1	14	27	**237**
Benefit payments as expected						
2025	174	71	2	14	19	**281**
2026	160	71	2	15	20	**269**
2027	167	71	3	16	26	**282**
2028	176	70	3	16	27	**292**
2029	185	69	3	17	32	**305**
Total of years 2030 to 2034	987	325	14	88	194	**1,607**

The pension payments from 2023 onward relate to lump-sum amounts in connection with fixed service cost benefit plans, as well as annual pension benefits. Furthermore, the earliest eligible date for retirement has been assumed when determining future pension payments. The actual retirement date could occur later. Therefore, the actual payments in future years for present plan members could be lower than the amounts assumed.

For the current and four preceding reporting periods, the amounts of the defined benefit obligations, fund assets, funded status, as well as the remeasurement of plan liabilities and plan assets are as follows:

€ millions	**2024**	2023	2022	2021	2020
Defined benefit obligations	5,632	5,646	5,170	7,249	8,648
Fund assets	3,092	3,066	3,064	3,064	3,203
Funded status	-2,540	-2,580	-2,106	-4,184	-5,445
Remeasurement of plan liabilities	-175	389	-2,254	-696	705
Remeasurement of plan assets	-27	54	-510	-2	192

Other post-employment benefits

Certain subsidiaries – primarily in the USA and Canada – grant eligible employees healthcare and life insurance on retirement if they have fulfilled certain conditions relating to age and years of service. The amount and entitlement can be altered. Certain retirement benefits, in particular for pensions and healthcare costs, are provided in the USA for hourly paid workers at unionized tire plants under the terms of collective pay agreements. No separate fund assets have been set up for these obligations.

The weighted average term of the defined benefit pension obligation is around nine years. This term is based on the present value of the obligation.

The reconciliation of the changes in the defined benefit obligations and the financing status from the beginning to the end of the year is as follows:

€ millions	**2024**	2023
Defined benefit obligations as at January 1	**132**	**133**
Exchange-rate differences	5	-4
Current service cost	1	0
Curtailments/settlements	0	0
Interest on healthcare and life insurance benefit obligations	7	7
Actuarial gains/losses from changes in demographic assumptions	-2	–
Actuarial gains/losses from changes in financial assumptions	-4	3
Actuarial gains/losses from experience adjustments	-5	-3
Changes in the scope of consolidation	–	–
Benefit payments	-11	-12
Other changes	–	8
Defined benefit obligations/net amount recognized as at December 31	**123**	**132**

The assumptions used for the discount rate and cost increases to calculate the healthcare and life insurance benefits vary according to conditions in the USA and Canada. The following weighted average valuation factors as at December 31 of the year have been used:

%	**2024**	2023
Discount rate	5.89	5.44
Rate of increase in healthcare and life insurance benefits in the following year	0.93	1.00
Long-term rate of increase in healthcare and life insurance benefits	0.30	0.35

The net cost of healthcare and life insurance benefit obligations can be broken down as follows:

€ millions	**2024**	2023
Current service cost	1	0
Service cost from plan amendments	0	–
Curtailments/settlements	1	0
Interest on healthcare and life insurance benefit obligations	7	7
Other income/expenses from healthcare and life insurance benefit obligations	–	8
Net cost	**9**	**15**

If the other assumptions remained constant, the changes in individual key actuarial assumptions that could reasonably have been possible at the reporting date would have impacted the defined benefit obligation by the following amounts. Although the analysis does not take account of the complete allocation of the cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

The following table shows the effects of a 0.5% increase or decrease in the cost trend for healthcare and life insurance obligations:

€ millions	2024	2023
0.5%-point increase		
Effects on service and interest cost	0	0
Effects on benefit obligations	-5	-5
0.5%-point decrease		
Effects on service and interest cost	0	0
Effects on benefit obligations	5	6

A 0.5-percentage-point increase or decrease in the discount rate specified above for calculating the net cost of healthcare and life insurance benefit obligations would have had the following effect on net cost:

€ millions	2024	2023
0.5%-point increase		
Effects on service and interest cost	0	0
Effects on benefit obligations	1	1
0.5%-point decrease		
Effects on service and interest cost	0	0
Effects on benefit obligations	-1	-1

The following table shows the payments made for other post-employment benefits in the reporting year and the previous year, as well as the undiscounted, expected benefit payments for the next 10 years:

€ millions	
Benefits paid	
2023	12
2024	11
Benefit payments as expected	
2025	15
2026	15
2027	15
2028	15
2029	7
Total of years 2030 to 2034	35

The amounts for the defined benefit obligations, funded status and remeasurement of plan liabilities for the current and four preceding reporting periods are as follows:

€ millions	2024	2023	2022	2021	2020
Defined benefit obligations	123	132	133	170	206
Funded status	-123	-132	-133	-170	-206
Remeasurement of plan liabilities	-11	0	-40	-12	16

Obligations similar to pensions

Some companies of the Continental Group have made commitments to employees for a fixed percentage of the employees' compensation. These entitlements are paid out when the employment relationship is terminated. In the year under review, expenses from these obligations amounted to €15 million (PY: €5 million).

Defined contribution pension plans

The Continental Group offers its employees pension plans in the form of defined contribution plans, particularly in the USA, the UK, Japan and China. Not including social security contributions, expenses from defined contribution pension plans amounted to €76 million (PY: €81 million) in the fiscal year.

Other employee benefits

Other employee benefits include provisions for partial early retirement programs and anniversary and other long-service benefits. The provisions for partial early retirement are calculated using a discount rate of 2.75% (PY: 3.53%). Provisions for anniversary and other long-service benefits are calculated using a discount rate of 3.34% (PY: 3.20%). In accordance with the option under IAS 19, *Employee Benefits*, the interest component is reported in the financial result.

Variable remuneration elements

Liabilities for payroll and personnel-related costs also include variable components based on performance. The variable components that are based on performance comprise a short-term remuneration component (performance bonus without equity deferral) as well as long-term remuneration components (long-term incentive and equity deferral of the performance bonus).

The LTI plans are classified as cash-settled share-based payments; hence they are recognized at fair value in accordance with IFRS 2, *Share-based Payment*. The equity deferral of the performance bonus of the remuneration system applicable from 2020 is classified as an equity-settled share-based payment; hence it is recognized at fair value in accordance with IFRS 2, *Share-based Payment*.

Long-term incentive plans (LTI plans)

Expenses of €27 million (PY: €54 million) from the addition of provisions for the 2021 to 2024 LTI plan were recognized in the respective function costs.

- 2014 to 2019 LTI plan: From 2014 to 2019, senior executives of the Continental Group and members of the Executive Board were granted an LTI bonus. This bonus was intended to allow for participation in the long-term, sustainable increase in the Continental Group's value and profitability. The LTI bonus depended on job grade and degree of target achievement and was issued in annual tranches.

- The term of the 2019/22 tranche, which was resolved on March 14, 2019, by the Supervisory Board for the members of the Executive Board and on May 24, 2019, by the Executive Board for senior executives, begins retroactively as at January 1, 2019, and is four years. After the expiry of the 2019/22 LTI tranche in December 2022, the bonus was not paid out in 2023, as the fair value of the tranche as at the payment date was around €0 million.

For each beneficiary of an LTI tranche, the Supervisory Board (for the members of the Executive Board) or the Executive Board (for senior executives) of Continental AG specified the amount of a target bonus in euros to be paid out upon 100% target achievement. The actual LTI bonus paid out on expiry of the LTI tranche depends on the degree of target achievement. The LTI bonus can range between 0% (no payment) and 200% (maximum payment).

The degree of achievement of two target criteria is decisive for the payment and amount of the LTI bonus. The first target criterion is the equally weighted average of the Continental Value Contribution (CVC) of the Continental Group over a period of four fiscal years, starting from the fiscal year in which the LTI tranche is issued. The equally weighted average is calculated by adding together 25% of the CVC of the four fiscal years of the term of the LTI tranche. The second target criterion is the total shareholder return (TSR) on Continental shares as at the end of the term in relation to the beginning of the LTI tranche. The share price used in calculating the TSR is the arithmetic mean of closing prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) on the trading days in the three months from October to December before the issue and expiry of the LTI tranche. In addition, all dividends paid during the term of the LTI tranche are taken into account for the TSR.

The scale for determining the degree of target achievement is defined by the Supervisory Board or the Executive Board when the respective LTI tranche is issued. This key data is identical for the members of the Executive Board and senior executives. The degree of target achievement for the first target criterion can lie between 0% and 200%. Target achievement is calculated on a straight-line basis between 0% and the maximum amount. There is no cap for the second target criterion. The ultimate degree of target achievement used to calculate the LTI bonus to be paid out is determined by multiplying the two target criteria. The LTI bonus to be paid out is determined by multiplying the degree of target achievement by the target bonus. The total maximum achievable LTI bonus is 200% of the target bonus.

A Monte Carlo simulation is used in the measurement of the TSR target criterion. This means that log-normal distributed processes are simulated for the price of Continental shares. The Monte Carlo simulation takes into account the average value accumulation of share prices in the respective reference period, the TSR dividends and the restriction for the payment amount.

- 2020 to 2023 LTI plan: From 2020, a new LTI plan was granted to the Executive Board, senior executives and executives that aims to promote long-term commitment to the company and its sustainable growth. Therefore, the long-term TSR of Continental shares, compared with an index consisting of European companies that are active in the automotive and tire industry and comparable with Continental AG (STOXX Europe 600 Automobiles & Parts (SXAGR); hereinafter "benchmark index"), is a key performance criterion for the LTI. The second performance criterion is a sustainability factor that is multiplied by the degree of target achievement in order to calculate the LTI to be paid. The amount of the LTI to be paid is based on the performance of the Continental share price over the term of the LTI.

- The term of the 2020 LTI plan, which was resolved on March 17, 2020, by the Supervisory Board for the members of the Executive Board, and on March 2, 2020, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2020, and is four years for the Executive Board and three years for senior executives and executives. After the expiry of the 2020 LTI plan in December 2022, the bonus for executives and senior executives was paid out in 2023. After the expiry of the 2020 LTI plan in December 2023, the bonus for the Executive Board was paid out in 2024.

- The term of the 2021 LTI plan, which was resolved on December 15, 2020, by the Supervisory Board for the members of the Executive Board, and on March 22, 2021, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2021, and is four years for the Executive Board and three years for senior executives and executives. After the expiry of the 2021 LTI plan in December 2023, the bonus for executives and senior executives was paid out in 2024.

- The term of the 2022 LTI plan, which was resolved on December 14, 2021, by the Supervisory Board for the members of the Executive Board, and on March 21, 2022, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2022, and is four years for the Executive Board and three years for senior executives and executives.

- The term of the 2023 LTI plan, which was resolved on December 14, 2022, by the Supervisory Board for the members of the Executive Board, and on March 22, 2023, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2023, and is four years for the Executive Board and three years for senior executives and executives.

- For each beneficiary of the 2020 to 2023 LTI plan, the Supervisory Board (for the members of the Executive Board) or the Executive Board (for senior executives and executives) of Continental AG agrees an allotment value in euros for the LTI.

At the start of the first fiscal year of the term of the LTI plan, this allotment value is converted into a basic holding of virtual shares. The allotment value is divided by the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) in the last two months prior to the start of the term of the respective LTI plan (issue price). The basic holding is multiplied by a performance index (PI) in order to determine the final holding of virtual shares. The performance index corresponds to the product from the relative total shareholder return (TSR) on Continental shares and a sustainability factor. The relative TSR is calculated from the relative performance of the Continental TSR in comparison with the TSR on the STOXX Europe 600 Automobiles & Parts (SXAGR). The Continental TSR corresponds to the sum of the average Continental share price in the last month of the term (final share price) and all dividends distributed during the term relative to the average share price in the first month of the term (initial share price). The SXAGR TSR is determined using the same method.

Performance criteria and goals of the sustainability factor are targets for CO_2 emissions, recycling quotas and the ensuring of good working conditions for employees in the Continental Group (e.g. based on sick leave, accident rates and employee satisfaction).

The payment amount of the 2020 to 2023 LTI plan can total at most 200% of the defined initial share price (executives and senior executives) or issue price (Executive Board). The issue price is the average price of the two months before the start of the term.

The final holding of virtual shares is multiplied by the payout price in order to determine the gross amount of the LTI to be paid out in euros (hereinafter "payout amount"). The payout price is the sum of the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) on the trading days in the last two months prior to the next ordinary Annual Shareholders' Meeting that follows the end of the term of the LTI plan and the dividends paid out per share during the term of the LTI plan.

A Monte Carlo simulation is used in the measurement of stock options. This means that log-normal distributed processes are simulated for the price of Continental shares and the price of the STOXX Europe 600 Automobiles & Parts (benchmark index). The Monte Carlo simulation takes into account the average value accumulation of the Continental share prices and the benchmark index for the final share price and the payout price, the TSR dividends, the performance compared with the benchmark index and the restriction for the payment amount.

- 2024 LTI plan: From 2024, a new LTI plan was granted to the Executive Board, senior executives and executives that aims to promote long-term commitment to the company and its sustainable growth. Therefore, the long-term TSR of Continental shares, compared with an index consisting of European companies that are active in the automotive and tire industry and comparable with Continental AG (STOXX Europe 600 Automobiles & Parts (SXAGR); hereinafter "benchmark index"), is a key performance criterion for the LTI. The second performance criterion is the return on capital employed (ROCE) determined based on the ratio of EBIT – adjusted for impairment on goodwill and divestments of companies and business operations – to average operating assets. The third performance criterion is a sustainability factor that includes three equally weighted sustainability targets. The amount of the LTI to be paid is based on the performance of the Continental share price over the term of the LTI.

- The term of the 2024 LTI plan, which was resolved on December 13, 2023, by the Supervisory Board for the members of the Executive Board, and on March 8, 2024, by the Executive Board for senior executives and executives, begins retroactively as at January 1, 2024, and is four years for the Executive Board and three years for senior executives and executives.

- For each beneficiary of the 2024 LTI plan, the Supervisory Board (for the members of the Executive Board) or the Executive Board (for senior executives and executives) of Continental AG agrees an allotment value in euros for the LTI.

At the start of the first fiscal year of the term of the LTI plan, this allotment value is converted into a basic holding of virtual shares. The allotment value is divided by the arithmetic mean of Continental AG's closing share prices in Xetra trading on the Frankfurt Stock Exchange (or a successor system) in the last two months prior to the start of the term of the respective LTI plan (issue price). The basic holding is multiplied by a performance index (PI) in order to determine the final holding of virtual shares. The performance index corresponds to the weighted sum of the relative total shareholder return (TSR) on Continental shares (50%), the ROCE (30%) and a sustainability criterion (20%). The relative TSR is calculated from the relative performance of the Continental TSR in comparison with the TSR on the STOXX Europe 600 Automobiles & Parts (SXAGR). The Continental TSR corresponds to the sum of the average Continental share price in the last quarter of the term (senior executives and executives) or in the last month of the performance period (Executive Board) and all dividends distributed during the performance period relative to the share price in the first quarter of the term (senior executives and executives) or in the first month of the term (Executive Board). The SXAGR TSR is determined using the same method.

The ROCE is determined on the basis of the ratio of EBIT – adjusted for impairment on goodwill and divestments of companies and business operations – to average operating assets for the fiscal year.

Performance criteria and goals of the sustainability criterion are targets for CO_2 emissions, recycling quotas and the review of good working conditions for employees in the Continental Group (e.g. based on sick leave, accident rates and employee satisfaction).

The final holding of virtual shares is multiplied by the payout price in order to determine the gross amount of the LTI to be paid out in euros (hereinafter "payout amount"). The payment amount of the 2024 LTI plan can total at most 200% of the average price in the first quarter of the term (executives and senior executives) or in the last 30 trading days prior to the start of the term (Executive Board). The payout price is the average price in the last quarter of the term (executives and senior executives) or in the final 30 trading days before maturity (Executive Board), plus all dividends distributed per share during the term.

A Monte Carlo simulation is used in the measurement of stock options. This means that log-normal distributed processes are simulated for the price of Continental shares and the price of the STOXX Europe 600 Automobiles & Parts (benchmark index). The Monte Carlo simulation takes into account the average value accumulation of the Continental share prices and the benchmark index for the final share price and the payout price, the TSR dividends, the performance compared with the benchmark index and the restriction for the payment amount.

The following TSR parameters were used as at the measurement date of December 31, 2024:

- Constant zero rates as at the measurement date of December 31, 2024:
  - 2021 LTI plan (Executive Board): 2.35% as at the due date and 2.31% as at the end of the payout price period;
  - 2022 LTI plan (senior executives and executives): 2.34% at the end of the payout price period;
  - 2022 LTI plan (Executive Board): 2.02% as at the due date and 1.99% as at the end of the payout price period;
  - 2023 LTI plan (senior executives and executives): 2.10% as at the due date and 2.00% as at the end of the payout price period;
  - 2023 LTI plan (Executive Board): 1.97% as at the due date and 1.97% as at the end of the payout price period;
  - 2024 LTI plan (senior executives and executives): 1.97% as at the due date and 1.97% as at the end of the payout price period;
  - 2024 LTI plan (Executive Board): 1.99% as at the due date and 2.00% as at the end of the payout price period.
- Continental share price at year-end of €64.82.
- Interest rate based on the yield curve for government bonds.
- Dividend payments as the arithmetic mean based on publicly available estimates for 2025 until 2027; the dividend of Continental AG amounted to €2.20 per share in 2024, and Continental AG distributed a dividend of €1.50 per share in 2023.
- Historical volatilities on the basis of daily Xetra closing rates for Continental shares and the benchmark index based on the respective remaining term for LTI tranches and the 2021 to 2024 LTI plan. The historical Continental share volatilities are 40.20% for the 2021 LTI plan (Executive Board) and 30.72% for the 2022 LTI plan. The volatility for the 2023 LTI plan is 32.27% for senior executives and executives and 33.73% for the Executive Board. The volatility for the 2024 LTI plan is 31.87% for senior executives and executives and 37.46% for the Executive Board. The historical benchmark index volatilities for the 2021 and 2022 LTI plans for the Executive Board are 21.66% and 17.88%. The volatility for the 2023 LTI plan is 17.98% for senior executives and executives and 19.67% for the Executive Board. The volatility for the 2024 LTI plan is 18.56% for senior executives and executives and 24.41% for the Executive Board.
- Historical correlations on the basis of daily Xetra closing rates for the benchmark index based on the respective remaining term of the components of the 2021 to 2024 LTI plans. For the 2021 and 2022 LTI plans for the Executive Board it is 0.7259 and 0.6145. For the 2023 LTI plan it is 0.5950 for senior executives and executives and 0.7148 for the Executive Board. For the 2024 LTI plan it is 0.6791 for senior executives and executives and 0.7663 for the Executive Board.

- The fair values of the tranches developed as follows. The amount of the provision as at the measurement date of December 31, 2024, results from the respective vesting level:
  - 2021 LTI plan (Executive Board): €0 million (PY: €0 million); the vesting level is 100%;
  - 2022 LTI plan (senior executives and executives): €25 million (PY: €43 million); the vesting level is 100%;
  - 2022 LTI plan (Executive Board): €2 million (PY: €3 million); the vesting level is 75%;
  - 2023 LTI plan (senior executives and executives): €50 million (PY: €57 million); the vesting level is 67%;
  - 2023 LTI plan (Executive Board): €5 million (PY: €6 million); the vesting level is 50%;
  - 2024 LTI plan (senior executives and executives): €35 million; the vesting level is 33%;
  - 2024 LTI plan (Executive Board): €4 million; the vesting level is 25%.

Expenses of €5 million were incurred in 2023 for the 2020 LTI plan for senior executives and executives, and €0 million for the 2020 LTI plan for the Executive Board. Expenses of €1 million (PY: €9 million) were incurred for the 2021 LTI plan for senior executives and executives, and income of €0 million (PY: €0 million) was recognized for the 2021 LTI plan for the Executive Board due to reduced personnel expenses. Reduced liabilities for payroll and personnel-related costs resulted in income of €3 million (PY: €19 million) for the 2022 LTI plan for senior executives and executives, while expenses of €1 million (PY: €1 million) were incurred for the 2022 LTI plan for the Executive Board. Expenses of €15 million (PY: €19 million) were incurred for the 2023 LTI plan for senior executives and executives, and €1 million (PY: €1 million) for the 2023 LTI plan for the Executive Board. Expenses of €12 million were incurred for the 2024 LTI plan for senior executives and executives, and €1 million for the 2024 LTI plan for the Executive Board.

Performance bonus (deferral) under the remuneration system from 2020 to 2023

In the service agreement, the Supervisory Board agrees to a target amount for the performance bonus (hereinafter "STI target amount") that is granted to each member of the Executive Board in the event of 100% target achievement. The maximum amount of the performance bonus is limited to 200% of the STI target amount.

The amount of the STI to be paid out depends on the extent to which a member of the Executive Board achieves the targets set by the Supervisory Board for this Executive Board member for the following three financial indicators as performance criteria within the meaning of Section 87a (1) Sentence 2 No. 4 *AktG*:

- Earnings before interest and tax (hereinafter "EBIT"), adjusted for impairment on goodwill as well as gains and/or losses from the disposal of parts of the company.
- Return on capital employed (ROCE) as the ratio of EBIT (adjusted, as mentioned above) to average operating assets for the fiscal year.
- Cash flow before financing activities, adjusted for cash inflows and outflows from the disposal or acquisition of companies and business operations (adjusted free cash flow).

The degree to which the EBIT target is achieved is weighted at 40%, the ROCE target at 30% and the free cash flow target at 30% in the calculation of the STI.

For each financial performance criterion, the target value for 100% target achievement corresponds to the value that the Supervisory Board agreed in each case for this financial performance criterion in the planning for the respective fiscal year.

For each financial performance criterion, the Supervisory Board determines the values for target achievement of 0% and 200% on an annual basis. The degree to which the target is achieved is calculated on a straight-line basis between 0% and 200% by comparing this with the respective actual value for the fiscal year.

In addition, prior to the start of each fiscal year, the Supervisory Board can determine personal, non-financial performance criteria to be included in target achievement in the form of a personal contribution factor (hereinafter "PCF") with a value between 0.8 and 1.2 for individual or all members of the Executive Board.

After the end of the fiscal year, the target achievement for each financial performance criterion is calculated on the basis of the audited consolidated financial statements of Continental AG, and the sum total of these financial performance criteria is multiplied by the STI target amount in accordance with the weighting described above. By multiplying this result by the PCF, the gross value of the STI amount to be paid (hereinafter "gross payout amount") is determined.

Each member of the Executive Board is obligated to invest 20% of the gross payout amount (generally corresponding to around 40% of the net payment amount) in shares of Continental AG. The remainder is paid out as short-term variable remuneration.

Each member of the Executive Board is obligated to hold the shares legally and economically for a period of at least three years from the day of acquisition.

Expenses of €7 million were incurred for the 2023 STI in 2023. The number of shares converted by the Executive Board from the deferral of the 2023 STI came to 22,782 in 2024 (PY: 4,889).

Performance bonus (deferral) under the remuneration system as of 2024

The remuneration system of the Executive Board was further elaborated in 2024 and approved by the 2024 Annual Shareholders' Meeting.

In the service agreement, the Supervisory Board agrees to a target amount for the performance bonus (hereinafter "STI target amount") that is granted to each member of the Executive Board in the event of 100% target achievement. The maximum amount of the performance bonus is limited to 200% of the STI target amount.

The amount of the STI to be paid out depends on the extent to which a member of the Executive Board achieves the targets set by the Supervisory Board for this Executive Board member for the following three financial indicators as performance criteria within the meaning of Section 87a (1) Sentence 2 No. 4 *AktG*, which are additively linked with one another:

- The adjusted operating result (adjusted EBIT) is one of the key internal performance indicators. It is the earnings before interest and taxes, adjusted for amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation and special effects.
- Cash flow before financing activities, adjusted for cash inflows and outflows from the disposal or acquisition of companies and business operations (adjusted free cash flow).
- Non-financial performance criteria (hereinafter "ESG indicators"), comprising indicators in environmental, social and governance areas.

The degree to which the adjusted EBIT target is achieved is weighted at 45%, the adjusted free cash flow target at 45% and the ESG indicators at 10% in the calculation of the STI.

For each financial performance criterion, the target value for 100% target achievement corresponds to the value that the Supervisory Board agreed in each case for this financial performance criterion in the planning for the respective fiscal year. For the non-financial ESG indicators, the 100% value is determined on the basis of the respective ESG indicator as a fixed amount. For each performance criterion, the Supervisory Board determines the values for target achievement of 0% and 200% on an annual basis. The degree to which the target is achieved is calculated on a straight-line basis between 0% and 200% by comparing this with the respective actual value for the fiscal year.

In addition, prior to the start of each fiscal year, the Supervisory Board can determine personal, non-financial performance criteria to be included in target achievement in the form of a personal contribution factor (hereinafter "PCF") with a value between 0.8 and 1.2 for individual or all members of the Executive Board.

After the end of the fiscal year, the target achievement for the target criteria adjusted EBIT, adjusted free cash flow and ESG indicators are calculated on the basis of the audited consolidated financial statements, the combined non-financial statement of Continental AG and the sustainability report of the Continental Group, and the sum total of these performance criteria is multiplied by the STI target amount in accordance with the weighting described above. By multiplying this result by the PCF, the gross value of the STI amount to be paid (hereinafter "total gross amount") is determined.

Each member of the Executive Board is obligated to invest 20% of the gross payout amount (generally corresponding to around 40% of the net payment amount) in shares of Continental AG. The remainder is paid out as short-term variable remuneration.

Each member of the Executive Board is obligated to hold the shares legally and economically for a period of at least three years from the day of acquisition.

Expenses of €6 million (PY: €7 million) were incurred for the 2024 STI in 2024.

Short-term employee benefits

Liabilities for payroll and personnel-related costs

The Group Profit Sharing Program is a profit-sharing scheme for the employees of Continental to benefit from the company's net income. The amount of the performance bonus is calculated on the basis of internal indicators. For the reporting period, a provision of €83 million (PY: €18 million) was recognized under liabilities for payroll and personnel-related costs.

29. Provisions for Other Risks and Obligations

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Restructuring provisions	324	169	311	376
Litigation and environmental risks	82	214	119	212
Warranties	368	20	361	21
Other provisions	189	119	291	94
Provisions for other risks	**964**	**522**	**1,081**	**703**

The provisions for other risks developed as follows:

€ millions	**Restructuring provisions**	**Litigation and environmental risks**	**Warranties**	**Other provisions**
As at January 1, 2024	**687**	**331**	**382**	**385**
Additions	208	229	289	150
Utilizations	-250	-68	-181	-200
Reclassifications	0	0	-1	1
Changes in the scope of consolidation	-1	0	0	-1
Reversals	-154	-202	-95	-39
Interest	4	4	–	7
Exchange-rate changes	-2	3	-5	5
As at December 31, 2024	**493**	**297**	**388**	**308**

The additions to restructuring provisions resulted mainly from programs to streamline the research and development network and to pool development units within the Automotive segment. These measures are to be implemented in stages by the end of 2025.

Contrary to the original estimates of the effects from restructuring plans, agreements were reached over the course of the restructuring measures that resulted in particular in reversals in the Automotive segment.

The utilization of restructuring provisions related to the implementation of restructuring measures adopted in previous years as well as restructuring measures taken into account for the first time in fiscal 2024.

The additions to and reversals of provisions for litigation and environmental risks related to product liability risks in the ContiTech and Tires segments in the USA and risks in connection with disputes over industrial property rights in the Automotive segment. Please see Note 36.

The utilizations relate mainly to the aforementioned product liability risks in the ContiTech and Tires segments and risks in connection with disputes over industrial property rights.

The changes in provisions for warranties include utilizations of €181 million (PY: €175 million) and reversals of €95 million (PY: €133 million), which are offset by additions of €289 million (PY: €215 million). The changes result primarily from specific individual cases in the Automotive segment, such as the partial replacement of the MK C2 integrated brake system produced for the BMW Group, and in the ContiTech segment.

The other provisions also include provisions for risks from operations, such as those in connection with compensation from customer and supplier claims that are not warranties. They also include provisions for dismantling and tire-recycling obligations, and provisions for possible interest payments and penalties on income tax liabilities.

The utilizations of the other provisions result in particular from the conclusion of the fine proceedings conducted by the public prosecutor's office in Hanover in connection with illegal defeat devices in diesel engines. Please see Note 36.

30. Income Tax Liabilities

Income tax liabilities developed as follows:

€ millions	2024	2023
As at January 1	**541**	**526**
Additions	428	420
Utilizations and advance payments for the current fiscal year	–380	–338
Reversals	–60	–48
Changes in the scope of consolidation	0	–6
Exchange-rate changes	2	–12
As at December 31	**531**	**541**

When reconciling the income tax liabilities with the income taxes paid in the consolidated statement of cash flows, the cash changes in income tax receivables must be included in addition to the utilizations and current advance payments shown here.

31. Indebtedness and Additional Notes to the Statement of Cash Flows

	Dec. 31, 2024			Dec. 31, 2023		
€ millions	**Total**	**Short-term**	**Long-term**	Total	Short-term	Long-term
Bonds	**3,861**	649	3,212	3,969	760	3,209
Bank loans and overdrafts[1, 2]	**1,042**	993	49	1,386	994	392
Derivative instruments	**29**	29	–	8	8	1
Lease liabilities	**1,141**	297	844	1,202	286	916
Liabilities from sale-of-receivables programs	**299**	299	–	321	321	–
Other indebtedness[3]	**536**	529	6	284	273	11
Indebtedness	**6,909**	**2,797**	**4,112**	**7,170**	**2,642**	**4,528**

1 Of which €8 million (PY: €12 million) secured by land charges, mortgages and similar securities.
2 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.
3 Other indebtedness included a carrying amount of €335 million (PY: €16 million) from commercial paper issuances.

Composition of Continental bonds

€ millions Issuer/type	**Amount of issue Dec. 31, 2024**	**Carrying amount Dec. 31, 2024**	**Market value Dec. 31, 2024**	Amount of issue Dec. 31, 2023	Carrying amount Dec. 31, 2023	Market value Dec. 31, 2023	Coupon p.a.	Issue/maturity and fixed interest until	Issue price
CGF[1] euro bond	–	–	–	625	626	613	1.125%	2020/09.2024	99.589%
CAG[2] euro bond	600	601	593	600	600	577	0.375%	2019/06.2025	99.802%
CAG[2] euro bond	750	753	747	750	751	742	2.500%	2020/08.2026	98.791%
CAG[2] euro bond	500	515	511	500	504	512	4.000%	2023/03.2027	99.658%
CAG[2] euro bond	625	626	636	625	626	636	3.625%	2022/11.2027	100.000%
CAG[2] euro bond	750	763	775	750	762	775	4.000%	2023/06.2028	99.445%
CAG[2] euro bond	600	603	606	–	–	–	3.500%	2024/10.2029	99.946%
Total	**3,825**	**3,861**	**3,868**	**3,850**	**3,869**	**3,854**			

1 CGF, Conti-Gummi Finance B.V., Maastricht, Netherlands.
2 CAG, Continental Aktiengesellschaft, Hanover.

The carrying amount of the bonds decreased negligibly from €3,969 million in the previous year to €3,861 million as at the end of fiscal 2024. Under the Debt Issuance Programme (DIP), Continental AG issued one listed euro bond on October 1, 2024, with an issue volume of €600 million. The issue price of this bond, which has a term of five years and a fixed interest rate of 3.500% p.a., was 99.946%. The €625-million euro bond of Conti-Gummi Finance B.V., Maastricht, Netherlands, maturing on September 25, 2024, was redeemed in the second half of the year at a rate of 100.000%. This bond had an interest rate of 1.125% p.a. and a term of four years and three months.

In addition, on October 16, 2024, the private placement issued by Continental AG in October 2019 was redeemed at a rate of 100.000%. The private placement had a nominal volume of €100 million, a term of five years and a fixed interest rate of 0.231% p.a.

Credit lines and available financing from banks
Bank loans and overdrafts amounted to €1,042 million (PY: €1,386 million) as at December 31, 2024, and were therefore €343 million below the previous year's level. On December 31, 2024, there were credit lines and available financing from banks in the amount of €6,034 million (PY: €5,982 million). A nominal amount of €4,966 million of this had not been utilized as at the end of the reporting period (PY: €4,569 million). The syndicated loan of the Continental Group described below accounted for €4,000 million of this (PY: €3,684 million). Besides this, the major portion of the credit lines and available financing from banks related, as in the previous year, to predominantly floating-rate short-term borrowings.

The syndicated loan that was renewed ahead of schedule in December 2019 consists of a revolving tranche of €4,000 million and has an original term of five years. The margin will also depend on the Continental Group's sustainability performance. If the Continental Group achieves the performance improvements in sustainability as set out in detail in the loan agreement, this will reduce the margin; non-achievement will result in a margin increase. The loan agreement contains no obligation to comply with financial covenants. Utilizations may be undertaken both in euros and US dollars on the basis of variable interest rates. Depending on the currency, interest is accrued at either the EURIBOR rate or the corresponding USD Secured Overnight Financing Rate (SOFR), plus a margin in each case. Continental has exercised two options, each extending the term of the loan by one year. This means that the financing commitment of the banks is now available until December 2026. This revolving loan had not been utilized as at December 31, 2024 (PY: €316 million utilized by Continental Rubber of America, Corp., Wilmington, Delaware, USA).

Effects of the first-time adoption of the amendments to IAS 1, *Presentation of Financial Statements*
The amendments had the following effects on the 2024 consolidated financial statements, the comparative period presented and the opening statement of financial position of the comparative period: in accordance with the amendments to IAS 1 effective December 31, 2024, utilizations of the syndicated loan should be recognized under long-term indebtedness instead of short-term indebtedness. However, as at December 31, 2024, there had been no utilization of the syndicated loan, so there was no effect as at the end of the reporting period. As the amendments to IAS 1 are to be applied retrospectively with regard to a comparable presentation of the comparative periods, the disclosure of the utilization of the syndicated loan was adjusted in the comparative period as at December 31, 2023. In the comparative period as at December 31, 2023, compared with the published 2023 consolidated financial statements, the utilization of the syndicated loan in the amount of €316 million was reclassified from short-term indebtedness to long-term indebtedness. In the opening statement of financial position of the comparative period, compared with the published 2022 consolidated financial statements, there was a reclassification of the utilization of the syndicated loan in the amount of €300 million from short-term indebtedness to long-term indebtedness.

In the year under review, the Continental Group utilized its commercial paper programs, its sale-of-receivables programs and its various bank lines to meet short-term credit requirements.

Please see Note 32 for the maturity structure of indebtedness.

Additional notes to the statement of cash flows

The following table showing the (net) change in short-term and long-term indebtedness provides additional information on the consolidated statement of cash flows:

		Cash	Non-cash					
€ millions	**Dec. 31, 2024**		**Exchange-rate changes**	**Reclassi-fications**	**Changes in fair value**	**Changes in the scope of consolidation**	**Other[1]**	Dec. 31, 2023
Change in derivative instruments and interest-bearing investments[2]	231	30	2	–	-10	–	0	209
Change in short-term indebtedness[3]	**-2,797**	**852**	**-25**	**-879**	**-21**	**1**	**-83**	**-2,642**
thereof redemption of bonds	–	725	–	–	–	–	–	–
thereof repayment of lease liabilities	–	318	–	–	–	–	–	–
Change in long-term indebtedness[3]	**-4,112**	**-276**	**-1**	**879**	**–**	**1**	**-187**	**-4,528**
thereof issuance of bonds	–	-600	–	–	–	–	–	–

1 Also includes, in addition to interest expense, the interest paid in the amount of €317 million reported under cash inflow arising from operating activities as well as effects from the recognition, derecognition and adjustment of lease liabilities.

2 The cash effects mainly result from money market funds and interest-bearing investments with banks, which are considered part of net indebtedness and are therefore classified as financing activities.

3 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

		Cash	Non-cash					
€ millions	**Dec. 31, 2023**		**Exchange-rate changes**	**Reclassi-fications**	**Changes in fair value**	**Changes in the scope of consolidation**	**Other[1]**	Dec. 31, 2022
Change in derivative instruments and interest-bearing investments[2]	209	27	-25	–	-4	–	4	207
Change in short-term indebtedness[3]	**-2,642**	**2,053**	**33**	**-1,244**	**10**	**-1**	**-105**	**-3,389**
thereof redemption of bonds	–	1,250	–	–	–	–	–	–
thereof repayment of lease liabilities	–	307	–	–	–	–	–	–
Change in long-term indebtedness[3]	**-4,528**	**-1,294**	**26**	**1,244**	**2**	**0**	**-200**	**-4,306**
thereof issuance of bonds	–	-1,250	–	–	–	–	–	–

1 Also includes, in addition to interest expense, the interest paid in the amount of €264 million reported under cash inflow arising from operating activities as well as effects from the recognition, derecognition and adjustment of lease liabilities.

2 The cash effects mainly result from money market funds and interest-bearing investments with banks, which are considered part of net indebtedness and are therefore classified as financing activities.

3 Amendments to IAS 1, Presentation of Financial Statements, clarify the classification of current and non-current liabilities from the 2024 reporting year onward. The comparative period has been adjusted accordingly.

32. Financial Instruments

The tables below show the carrying amounts and fair values of financial assets and liabilities, whereby non-current and current items are presented together. In addition, the relevant measurement categories are shown according to IFRS 9, *Financial Instruments*, and the levels of the fair value hierarchy relevant for calculating fair value according to IFRS 13, *Fair Value Measurement*.

€ millions	Measurement category in acc. with IFRS 9	**Carrying amount as at Dec. 31, 2024**	**Fair value as at Dec. 31, 2024**	thereof Level 1	thereof Level 2	thereof Level 3
Other investments[1]	FVOCIwoR	88	88	1	–	87
Derivative instruments and interest-bearing investments						
Derivative instruments not accounted for as effective hedging instruments	FVPL	5	5	–	5	–
Debt instruments	FVPL	98	98	98	–	–
Debt instruments	at cost	128	128	–	–	–
Trade accounts receivable without lease receivables						
Trade accounts receivable	at cost	6,887	6,887	–	–	–
Bank drafts	FVOCIwR	202	202	–	202	–
Trade accounts receivable	FVPL	11	11	–	11	–
Other financial assets without lease receivables						
Other financial assets	FVPL	126	126	1	126	–
Other financial assets	at cost	244	244	–	–	–
Cash and cash equivalents						
Cash and cash equivalents	at cost	2,902	2,902	–	–	–
Cash and cash equivalents	FVPL	63	63	63	–	–
Financial assets without lease receivables		**10,755**	**10,755**	**163**	**344**	**87**
Indebtedness without lease liabilities						
Derivative instruments not accounted for as effective hedging instruments	FVPL	29	29	–	29	–
Other indebtedness	at cost	5,739	5,794	3,868	70	–
Trade accounts payable	at cost	6,471	6,471	–	–	–
Other financial liabilities	at cost	1,257	1,257	–	–	–
Financial liabilities without lease liabilities		**13,496**	**13,551**	**3,868**	**99**	**–**
Aggregated according to categories as defined in IFRS 9:						
Financial assets (FVOCIwR)		202				
Financial assets (FVOCIwoR)		88				
Financial assets (FVPL)		304				
Financial assets (at cost)		10,161				
Financial liabilities (FVPL)		29				
Financial liabilities (at cost)		13,466				

1 Excluding investments in unconsolidated affiliated companies.

€ millions	Measurement category in acc. with IFRS 9	**Carrying amount as at Dec. 31, 2023**	**Fair value as at Dec. 31, 2023**	thereof Level 1	thereof Level 2	thereof Level 3
Other investments[1]	FVOCIwoR	95	95	1	–	93
Derivative instruments and interest-bearing investments						
Derivative instruments not accounted for as effective hedging instruments	FVPL	19	19	–	19	–
Debt instruments	FVPL	78	78	78	–	–
Debt instruments	at cost	112	112	–	–	–
Trade accounts receivable without lease receivables						
Trade accounts receivable	at cost	7,388	7,388	–	–	–
Bank drafts	FVOCIwR	166	166	–	166	–
Trade accounts receivable	FVPL	12	12	–	12	–
Other financial assets without lease receivables						
Other financial assets	FVPL	132	132	1	131	–
Other financial assets	at cost	265	265	–	–	–
Cash and cash equivalents						
Cash and cash equivalents	at cost	2,560	2,560	–	–	–
Cash and cash equivalents	FVPL	363	363	363	–	–
Financial assets without lease receivables		**11,189**	**11,189**	**443**	**328**	**93**
Indebtedness without lease liabilities						
Derivative instruments not accounted for as effective hedging instruments	FVPL	8	8	–	8	–
Other indebtedness	at cost	5,960	5,978	3,854	519	–
Trade accounts payable	at cost	6,875	6,875	–	–	–
Other financial liabilities	at cost	1,678	1,678	–	–	–
Financial liabilities without lease liabilities		**14,522**	**14,540**	**3,854**	**528**	**–**
Aggregated according to categories as defined in IFRS 9:						
Financial assets (FVOCIwR)		166				
Financial assets (FVOCIwoR)		95				
Financial assets (FVPL)		603				
Financial assets (at cost)		10,325				
Financial liabilities (FVPL)		8				
Financial liabilities (at cost)		14,514				

1 Excluding investments in unconsolidated affiliated companies.

Abbreviations
- at cost: measured at amortized cost
- FVOCIwR: fair value through other comprehensive income with reclassification
- FVOCIwoR: fair value through other comprehensive income without reclassification
- FVPL: fair value through profit and loss

Levels of the fair value hierarchy according to IFRS 13, *Fair Value Measurement*
- Level 1: quoted prices in active markets for identical instruments
- Level 2: quoted prices in active markets for similar instruments or measurement methods for which all major input factors are based on observable market data
- Level 3: measurement methods for which the major input factors are not based on observable market data

Financial instruments allocated to the FVOCIwoR measurement category are classified as such because they are held over a long term for strategic purposes.

For financial instruments accounted for at FVOCIwoR for which there are no quoted prices in active markets for identical instruments (Level 1) or for similar instruments, or for which there are no applicable measurement methods in which all major input factors are based on observable market data (Level 2), the fair value must be calculated using a measurement method for which the major input factors are based on non-observable market data (Level 3). If external valuation reports or information from other financing rounds is available, these are used. If such information is not available, the measurement is performed according to the measurement method that is deemed appropriate and realizable in each case: for example, according to the discounted cash flow method or by valuation according to multiples using ratios based on purchase prices for comparable transactions. Measurement at amortized cost is only considered the best estimate of the fair value of financial assets if the most recent information available for fair value measurement is insufficient. Financial instruments accounted for at FVOCIwoR are centrally monitored with regard to any changes to the major non-observable input factors and continuously checked for changes in value.

Please see Note 18 for information on the changes in carrying amounts of other investments. For reasons of materiality, a sensitivity analysis is not required.

The accounting and measurement methods applied are described in Note 2 of the notes to the consolidated financial statements.

The fair values of other indebtedness were derived from existing quotations on an active market (Level 1) or alternatively were determined by discounting all future cash flows at the applicable interest rates for the corresponding residual maturities, taking into account a company-specific credit spread (Level 2), provided their carrying amounts as at the reporting date are not approximately equivalent to their fair values. The other financial instruments measured at cost generally have short remaining terms. As a result, the carrying amounts as at the end of the reporting period are, as a rule, approximately their fair values and are not shown in the fair value hierarchy in the table.

The following table shows the changes to financial instruments at Level 3:

€ millions	Other investments
As at January 1, 2023	**156**
Valuation effects recognized in other comprehensive income	-62
Additions	2
Exchange-rate effects	-2
As at December 31, 2023	**93**
As at January 1, 2024	**93**
Valuation effects recognized in other comprehensive income	-4
Additions	7
Debt-equity swap	1
Reclassification	-5
Changes in the scope of consolidation	-6
Exchange-rate effects	2
As at December 31, 2024	**87**

The Continental Group recognizes possible reclassifications between the different levels of the fair value hierarchy as at the end of the reporting period in which a change occurred.

The change in fair value recognized in other comprehensive income (OCI) of -€4 million (PY: -€62 million) relates to the overall negative revaluation of other financial assets as a result of changed business outlooks, of which equity investments still held by the Continental Group account for -€8 million (PY: -€62 million) and investments disposed of for €4 million (PY: €–). For reasons of materiality, a sensitivity analysis is not required.

The following income and expenses from financial instruments were recognized in the consolidated statement of income:

€ millions	Net gains and losses from interest		Other net gains and losses		**Total net gains and losses**	
	2024	2023	**2024**	2023	**2024**	2023
Financial assets (at cost)	88	88	56	-86	144	2
Financial assets and liabilities (FVPL)	12	6	-51	-13	-39	-7
Financial assets (FVOCI)	-2	-2	0	0	-2	-2
Financial liabilities (at cost)	-302	-283	-122	43	-424	-240

Interest income and expense from financial instruments is reported in the financial result (Note 11).

Dividend income from financial assets measured at fair value through other comprehensive income is explained under Income from Investments (Note 10).

The other net gains and losses on financial assets (at cost) and financial liabilities (at cost) mainly relate to currency effects on foreign-currency receivables and payables. There was an offsetting effect in exchange rate movements in the reporting year and the previous year.

Collateral

As at December 31, 2024, a total of €665 million (PY: €665 million) of financial assets had been pledged as collateral. In the year under review, as in the previous year, collateral mainly consisted of trade accounts receivable assigned as collateral for liabilities from sale-of-receivables programs. The remainder related to pledged cash or other financial assets.

Risk management of financial instruments

Due to its international business activities and the resulting financing requirements, the Continental Group is exposed to default risks, risks from changes in exchanges rates and variable interest rates, and liquidity risk. The management of these risks is described in the following sections.

In addition, hedging instruments are used in the Continental Group. Their use is covered by corporate-wide policies, adherence to which is regularly reviewed by internal auditors. Internal settlement risks are minimized through the clear segregation of functional areas.

Further information about the risks presented below and about risk management can be found in the report on risks and opportunities in the consolidated management report.

1. Default risks

Default risks from trade accounts receivable, contract assets or other financial assets include the risk that receivables will be collected late or not at all if a customer or another contractual party does not fulfill its contractual obligations. The total of the positive carrying amounts is equivalent to the maximum default risk of the Continental Group from financial assets. Default risk is influenced mainly by characteristics of the customers and the sector and is therefore analyzed and monitored by central and local credit managers. The responsibilities of the credit management function also include pooled receivables risk management. Contractual partners' creditworthiness and payment history are analyzed on a regular basis.

Default risk for non-derivative financial receivables is also limited by ensuring that agreements are entered into with partners with proven creditworthiness only or that collateral is provided or, in individual cases, trade credit insurance is agreed. The Continental Group held an immaterial amount of collateral as at December 31, 2024. There are no trade accounts receivable or contract assets for which an impairment loss was not recognized due to collateral held.

However, default risk cannot be excluded with absolute certainty, and any remaining risk is addressed by recognizing expected credit losses for identified individual risks and on the basis of experience, taking account of any relevant future components. Financial assets that are neither past due nor impaired accordingly have a prime credit rating. Default risks are calculated on the basis of corporate-wide standards. The methods for calculating loss allowances are described in Note 2 of the notes to the consolidated financial statements. As in the previous year, the annual review of the methods determined that there was no need for adjustment in the reporting year.

Trade accounts receivable and contract assets

If the creditworthiness of receivables is impaired, corresponding expenses are recognized in an allowance account.

Lifetime expected credit losses are largely calculated using estimates and assessments based on the creditworthiness of the respective customer, current economic developments and the analysis of historical losses on receivables. The creditworthiness of a customer is assessed on the basis of its payment history and its ability to make payments. It is regularly reviewed whether there is a need to take account of any risks in connection with different customer groups, sectors or countries. No such allocation of default risk was required in 2024.

Continental calculates the default rates for lifetime expected credit losses based on a three-year average, taking account of the historical defaults allocated to the different periods past due, and generally also taking account of a forward-looking component. Trade accounts receivable and contract assets whose creditworthiness is already impaired are not taken into account when calculating lifetime expected credit losses. There were no significant effects on expected credit losses from the modification of cash flows.

The table below shows the gross carrying amounts as at December 31, 2024, for trade accounts receivable and contract assets whose creditworthiness was not impaired[1]:

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
not overdue	6,610	6,959
0–29 days	270	324
30–59 days	93	116
60–89 days	36	43
90–119 days	24	41
120 days or more	152	154
As at December 31	**7,185**	**7,636**

1 The difference of €179 million (December 31, 2023: €162 million) from the total gross carrying amounts of trade accounts receivable and contract assets results from the gross carrying amounts of trade accounts receivable and contract assets whose creditworthiness was impaired.

In the year under review, lifetime expected credit losses and loss allowances for trade accounts receivable and contract assets whose creditworthiness was impaired developed as follows:

€ millions	**2024**	2023
As at January 1	**132**	**138**
Additions	72	77
Utilizations	–25	–18
Reversals	–46	–46
Amounts disposed of through disposal of subsidiaries	–1	–16
Exchange-rate changes	0	–3
As at December 31	**133**	**132**

As at December 31, 2024, loss allowances for trade accounts receivable whose creditworthiness was impaired amounted to €101 million (PY: €101 million).

Of the impaired receivables written down in the reporting period, €6 million (PY: €3 million) is still subject to enforcement measures.

Other financial assets

Loss allowances equivalent to the gross carrying amount totaling €3 million (PY: €3 million) were recognized for other financial assets whose creditworthiness was impaired. Other 12-month and lifetime expected credit losses on other financial assets are not of significance.

Cash and cash equivalents, derivative instruments and interest-bearing investments

In order to minimize the default risk for cash and cash equivalents, derivative instruments and interest-bearing investments, the Continental Group generally uses banks that it has classified as core banks on the basis of defined criteria. As a general rule, these banks should have at least one investment-grade credit rating from one of the global rating agencies. The default risk can therefore be considered very low. The creditworthiness of the core banks – and of other banks and other business partners with which investments are made, loans are granted or derivative instruments are traded in derogation from the core bank principle for operational or regulatory reasons – is continuously monitored by tracking not only their credit ratings but also particularly the premiums for insuring against credit risks (credit default swap, CDS), provided such information is available. In addition, the Continental Group sets investment limits for each bank and trading limits for derivative instruments. The amount of these limits is based on the creditworthiness of the respective bank. Compliance with these limits is continuously monitored. As in the previous year, expected credit losses from cash and cash equivalents and other interest-bearing investments measured at amortized cost as well as assets measured at amortized cost with impaired creditworthiness are not significant.

2. Currency management

The international nature of the Continental Group's business activities results in deliveries and payments in various currencies. Currency-exchange fluctuations involve the risk of losses because assets denominated in currencies with a falling exchange rate lose value, while liabilities denominated in currencies with a rising exchange rate become more expensive. For hedging, it is allowed to use only derivative instruments that have been defined in corporate-wide policies and can be reported and measured in the treasury management system. It is generally not permitted to use financial instruments that do not meet these criteria.

Operational foreign-currency risk

In operational currency management, actual and expected foreign-currency cash flows are combined as operational foreign-exchange exposures in the form of net cash flows for each transaction currency on a rolling 12-month basis. These cash flows arise mainly from receipts and payments from external and intra-corporate transactions by the Continental Group's subsidiaries worldwide. A natural hedge approach for reducing currency risks has been pursued for several years, meaning that the difference between receipts and payments in any currency is kept as low as possible. Exchange-rate developments are also monitored, analyzed and forecast. Based on the operational foreign-exchange exposure and constantly updated exchange-rate forecasts, the interest-rate and currency committee, which convenes weekly, agrees on the hedging measures to be implemented in individual cases by concluding derivative instruments, particularly currency forwards, currency swaps and currency options with a term of up to 12 months. Their amount must not exceed 30% of the 12-month exposure per currency without Executive Board permission. In addition, further risk limits for open derivative positions are set, which considerably reduce the risks from hedging activities. Hedge accounting was not used in the reporting year or in the previous year for hedges concluded in this way. As at December 31, 2024, currency forwards to hedge operational foreign currency risks were reported in the statement of financial position under short-term derivative instruments and interest-bearing investments in the amount of €1 million (PY: €0 million) and under short-term indebtedness in the amount of €0 million (PY: €0 million). Their nominal volume came to €102 million as at December 31, 2024 (PY: €49 million).

As at December 31, 2024, the net exposure from financial instruments that are denominated in a currency other than the functional currency of the respective subsidiary and are not allocated to net indebtedness existed in the major currencies of the euro in the amount of -€347 million (PY: -€488 million) and the US dollar in the amount of -€362 million (PY: -€445 million). The main local currencies accounting for the aforementioned euro-foreign currency transactions were the Chinese renminbi at -€208 million, the Serbian dinar at -€83 million and the Mexican peso at -€59 million (PY: the Chinese renminbi at -€371 million, the Mexican peso at -€82 million and the Serbian dinar at -€58 million). The main local currencies accounting for the US dollar-foreign currency transactions were the euro at €366 million, the South Korean won at -€204 million and the Chinese renminbi at -€168 million (PY: the Chinese renminbi at -€165 million, the Romanian leu at -€121 million and the South Korean won at -€114 million). Of these amounts, the positive values constitute net receivables and the negative values net liabilities.

Financial foreign-currency risks

In addition to operational foreign-currency risk, currency risks also result from the Continental Group's external and internal net indebtedness that is denominated in a currency other than the functional currency of the respective subsidiary. The quantity of these instruments is regularly summarized in the form of a financial foreign-currency exposure for each transaction currency. As at December 31, 2024, the net exposure in the major currencies amounted to -€736 million (PY: -€876 million) for the euro and €592 million (PY: €877 million) for the US dollar. The main local currencies accounting for the aforementioned euro-foreign currency transactions were the Romanian leu at -€770 million, the Serbian dinar at -€353 million and the Czech koruna at €245 million (PY: the Romanian leu at -€722 million, the Hungarian forint at -€271 million and the Serbian dinar at -€186 million). The main local currencies accounting for the US dollar-foreign currency transactions were the Mexican peso at €313 million, the Philippine peso at €227 million and the Canadian dollar at -€82 million (PY: the euro at €356 million, the Mexican peso at €350 million and the Philippine peso at €169 million). These currency risks are generally hedged through the use of derivative instruments, particularly currency forwards, currency swaps and cross-currency interest-rate swaps. Hedge accounting was not used in the reporting year or in the previous year for hedges concluded in this way.

Hedging financial foreign-currency risks without using hedge accounting

As at December 31, 2024, there were derivative instruments to hedge financial foreign-currency risks from intra-corporate receivables and liabilities. Hedge accounting is not used for these instruments, hence their assignment to the measurement category FVPL. Corresponding currency forwards and currency swaps were reported as at December 31, 2024, in the statement of financial position under short-term derivative instruments and interest-bearing investments in the amount of €5 million (PY: €19 million), under short-term indebtedness in the amount of €29 million (PY: €7 million) and in the previous year under long-term indebtedness in the amount of €1 million. Their nominal volume came to €1,008 million as at December 31, 2024 (PY: €1,372 million).

Hedging financial foreign-currency risks (net investment hedges)

Until August 2017, the Continental Group hedged its net investments in foreign operations. Based on the decision that currency effects from net investments in a foreign operation and from designated hedges that are accumulated in the currency translation reserve in equity are to be reclassified to the income statement only if the foreign operation is sold or liquidated, €20 million (PY: €20 million) from the hedged transactions remains in the currency translation reserve in equity.

Translation-related foreign-currency risks

A large number of the subsidiaries are located outside the euro currency zone. As Continental AG's reporting currency in the consolidated financial statements is the euro, the financial statements of these companies are translated into euros. With regard to managing the risks of translation-related currency effects, it is assumed that investments in foreign companies are entered into for the long term and that earnings are reinvested. Translation-related effects that arise when the value of net asset items translated into euros changes as a result of exchange-rate fluctuations are recognized directly in equity in the consolidated financial statements and are generally not hedged.

Sensitivity analysis

IFRS 7, *Financial Instruments: Disclosures*, requires a presentation of the effects of hypothetical changes in exchange rates on income and equity using a sensitivity analysis. In the Continental Group, the changes in the exchange rates are related to all financial instruments outstanding as at the end of the reporting period, including the effects of hedges. Forecast transactions and translation-related foreign-currency risks are not included in the sensitivity analysis. For those financial instruments with transaction currencies that differ from the functional currencies, a 10% appreciation or depreciation of the respective functional currency of the subsidiaries in relation to the identified different transaction currencies is assumed to determine the sensitivities. Hedging transactions are valued on the basis of a 10% percent change in the underlying forward or spot rates from the perspective of the local currency of the hedging Continental Group company.

The following table shows, before income tax expense, the overall effect as measured using this approach, as well as the individual effects resulting from the euro and the US dollar, as the major transaction currencies, on net income. As in the previous year, there is no effect on equity according to this approach.

	Local currency +10%		Local currency -10%	
€ millions	**2024**	2023	**2024**	2023
Total	**169**	**194**	**-169**	**-194**
thereof EUR	106	131	-106	-131
thereof USD	-23	-11	23	11

3. Interest-rate management

Variable interest agreements and, in principle, short-term financial instruments result in a risk of rising interest rates for interest-bearing financial liabilities and falling interest rates for interest-bearing financial investments. These interest-rate risks are valuated and assessed as part of our interest-rate management activities, partly on the basis of continuous monitoring of current and anticipated long-term and short-term interest-rate developments, and are managed by means of derivative interest-rate hedging instruments as needed. The Continental Group's interest-bearing net indebtedness is the subject of these activities based on the reporting date. Interest-rate hedges serve exclusively to manage identified interest-rate risks. Once a year, a range is determined for the targeted share of fixed-interest indebtedness in relation to total gross indebtedness. As in the previous year, there were no derivative instruments to hedge interest-rate risks as at December 31, 2024. The Continental Group is not exposed to a risk of fluctuation in the fair value of long-term financial liabilities due to market changes in fixed interest rates, as the lenders do not have the right to demand early repayment in the event of changing rates and these liabilities are recognized at amortized cost.

Interest-rate risk

The profile of interest-bearing financial instruments allocated to net indebtedness, taking into account the effect of the Continental Group's derivative instruments, is as follows:

€ millions	**2024**	2023
Fixed-interest instruments		
Financial assets	82	57
Financial liabilities	5,168	5,516
Floating-rate instruments		
Financial assets	3,110	3,056
Financial liabilities	1,712	1,646

Fair value sensitivity analysis

In accordance with IFRS 7, effects of financial instruments on income and equity resulting from interest-rate changes must be presented using a sensitivity analysis. In 2024, as in the previous year, interest-rate changes of 100 basis points did not have any material effects on income or equity.

Cash flow sensitivity analysis

The following table shows the effects an increase or a decrease in interest rates of 100 basis points would have had on the financial result. The effects would essentially result from floating-rate financial instruments. The effects were calculated for individual groups of financial instruments taking account of their contractual arrangement and based on the expected changes in the applicable interest rates for these financial instruments depending on changes in market interest rates. As in the previous year, this analysis is based on the assumption that all other variables, and in particular exchange rates, remain unchanged.

	Interest-rate increase +100 basis points		Interest-rate decline –100 basis points	
€ millions	**2024**	2023	**2024**	2023
Total	**14**	**14**	**-14**	**-14**
thereof EUR	-9	–1	9	1
thereof USD	8	1	-8	-1
thereof CNY	5	6	-5	-6
thereof THB	2	0	-2	0
thereof BRL	2	2	-2	-2
thereof INR	2	1	-2	-1
thereof JPY	1	1	-1	-1

4. Liquidity risks

Cost-effective, adequate financing is necessary for the subsidiaries' operating business. The central cash management unit therefore prepares a rolling liquidity forecast. This includes short-term detailed planning of incoming and outgoing payments in the immediate days to come as well as a long-term calculation of forecast data based on a time series analysis that is supplemented with updated information on an ongoing basis.

Various marketable financial instruments are used to meet the financial requirements. These comprise overnight money, term borrowing, the issue of commercial paper, sale-of-receivables programs, the syndicated loan with a committed nominal amount of €4,000 million (PY: €4,000 million) and other bilateral loans. Furthermore, approximately 56% (PY: 55%) of gross indebtedness is financed on the capital market in the form of long-term bonds. Capital expenditure by subsidiaries is primarily financed through equity and loans from banks or subsidiaries. There are also cash-pooling arrangements with subsidiaries to the extent they are possible and justifiable in the relevant legal and tax situation. If events lead to unexpected financing requirements, the Continental Group can draw upon existing liquidity and fixed credit lines from banks. For information on existing liquidity, please refer to Note 24. For information on the existing utilized and unutilized loan commitments, please refer to Note 31. In order to minimize risks with regard to the availability of existing liquidity, investment limits are in place, which are explained under "Default risks for cash and cash equivalents as well as derivative instruments and interest-bearing investments" in this note.

The financial liabilities without lease liabilities of €13,496 million (PY: €14,522 million) result in the following undiscounted cash outflows over the next five years and thereafter:

Dec. 31, 2024/€ millions	2025	2026	2027	2028	2029	thereafter	**Total**
Other indebtedness incl. interest payments	2,533	857	1,211	814	633	4	**6,052**
Derivative instruments with gross settlement - cash outflows	858	–	–	–	–	–	**858**
Derivative instruments with gross settlement - cash inflows	-827	–	–	–	–	–	**-827**
Derivative instruments with net settlement	–	–	–	–	–	–	**–**
Trade accounts payable	6,471	–	–	–	–	–	**6,471**
Other financial liabilities	1,250	1	0	0	0	8	**1,260**

Dec. 31, 2023/€ millions	2024	2025	2026	2027	2028	thereafter	**Total**
Other indebtedness incl. interest payments	2,823	730	858	1,211	793	12	**6,428**
Derivative instruments with gross settlement - cash outflows	379	–	–	–	–	–	**379**
Derivative instruments with gross settlement - cash inflows	-372	–	–	–	–	–	**-372**
Derivative instruments with net settlement	1	1	–	–	–	–	**2**
Trade accounts payable	6,875	–	–	–	–	–	**6,875**
Other financial liabilities	1,670	4	4	–	–	–	**1,678**

In the analysis, foreign-currency amounts were translated into euros using the current closing rate as at the end of the reporting period. For floating-rate non-derivative financial instruments and floating-rate interest payments from derivative financial instruments, the future interest payment flows are generally forecast using the most recently contractually fixed interest rates. The analysis only includes cash outflows from financial liabilities. For derivative instruments that are liabilities at the end of the reporting period, the undiscounted net payments are shown given a contractually specified net settlement; if gross settlement is contractually specified, the undiscounted payment inflows and outflows are presented separately. Cash inflows from financial assets were not included.

Supplier financing programs

The Continental Group has several supplier financing programs. For more information, please refer to Note 34. These programs offer suppliers the opportunity to procure cash and cash equivalents at favorable terms from financial service providers prior to due dates within the terms of payment. The terms of payment remain within a standard industry framework for corresponding trade accounts payable so that no significant liquidity risks arise for Continental in the event of any potential termination of these programs.

Global netting agreements and similar agreements

Continental AG concludes business in the form of derivative instruments on the basis of the German Master Agreement on Financial Derivatives Transactions *(Deutscher Rahmenvertrag für Finanztermingeschäfte)*. Fundamentally, there is the option to combine the amounts owed by each counterparty under such agreements on the same day in respect of all outstanding transactions in the same currency into a single net amount to be paid by one party to another.

The German Master Agreement on Financial Derivatives Transactions does not meet the criteria for offsetting in the statement of financial position. This is due to the fact that Continental AG has no legal right to the netting of the amounts recognized at the current time. According to the regulations of the German Master Agreement, the right to netting can be enforced only when future events occur, such as the insolvency of or default by a contractual party. In such cases, all outstanding transactions under the agreement are ended, the fair value is calculated as at this time, and just a single net amount is paid to settle all transactions.

At a Brazilian subsidiary (PY: two Brazilian subsidiaries) there are local framework agreements on the basis of which these companies have concluded derivative instruments. These agreements also do not meet the criteria for offsetting in the statement of financial position.

The following table shows the carrying amounts of the reported stand-alone derivative instruments, their offsetting in the statement of financial position, and any potential arising from the specified agreements subject to the occurrence of certain future events:

	Dec. 31, 2024			**Dec. 31, 2023**		
€ millions	**Carrying amounts[1]**	**Respective financial instruments not netted**	**Net amount**	Carrying amounts[1]	Respective financial instruments not netted	Net amount
Financial assets	5	3	2	19	4	16
Financial liabilities	29	3	26	8	4	5

1 There were no amounts to be offset in accordance with IAS 32.42 as at the reporting date and as at the same date in the previous year.

33. Other Financial Liabilities

	Dec. 31, 2024		**Dec. 31, 2023**	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Liabilities to related parties	0	1	0	0
Liabilities for selling expenses	1,235	–	1,167	–
Purchase prices payable on company acquisitions	1	–	1	–
Miscellaneous financial liabilities	13	7	502	8
Other financial liabilities	**1,249**	**8**	**1,670**	**8**

Liabilities for selling expenses relate in particular to obligations from bonus agreements with customers and deferred price reductions granted.

The decrease in short-term other financial liabilities results mainly from the payment of the purchase price for the reacquisition by Continental AG, Hanover, of a €476-million share in ContiTech AG, Hanover (now operating as ContiTech Deutschland GmbH, Hanover), from Continental Pension Trust e.V., Hanover. Please see Note 29 of the 2022 annual report for further details.

34. Trade Accounts Payable

Trade accounts payable amounted to €6,471 million (PY: €6,875 million) as at the end of the fiscal year. The liabilities are measured at amortized cost. The full amount is due within one year.

For information on liquidity risk, currency risk and the sensitivity analysis for trade accounts payable, please see Note 32.

The Continental Group has several supplier financing programs. However, trade accounts payable that fall under these programs remain under the item trade accounts payable even if they are prefinanced by a financial institution to suppliers, as the character and the function of such trade accounts payable is not materially altered by the programs (no material modification). For this reason, and due to the continued standard industry terms of payment for liabilities under these programs, there is also no impact on the consolidated statement of cash flows.

As at December 31, 2024, trade accounts payable totaling €65 million were recognized within the Continental Group, which are attributable to the aforementioned programs. Continental has no information on the actual amount of prefinancing. It is assumed that the entire volume of trade accounts payable to suppliers has been prefinanced. The terms of payment of the trade accounts payable under the aforementioned programs are essentially comparable to other trade accounts payable of relevant companies of the Continental Group.

35. Other Liabilities

	Dec. 31, 2024		Dec. 31, 2023	
€ millions	**Short-term**	**Long-term**	Short-term	Long-term
Liabilities for VAT and other taxes	302	–	352	–
Deferred income	21	15	16	18
Miscellaneous liabilities[1]	356	8	371	9
Other liabilities	**679**	**23**	**739**	**28**

1 Miscellaneous liabilities mainly include excess payments by customers and other liabilities to related parties. Please see Note 41.

Other Disclosures

36. Litigation and Compensation Claims

Continental AG and its subsidiaries are involved in lawsuits, regulatory investigations and proceedings worldwide. Such lawsuits, investigations and proceedings could also be initiated or claims asserted in other ways in the future.

Product liability
In particular, Continental is subject to product liability and other claims in which the company is accused of the alleged infringement of its duty of care, violations against warranty obligations or defects of material or workmanship. Claims from alleged breaches of contract resulting from product recalls or government proceedings are also asserted. Among other cases, claimants in the USA file lawsuits for property damage, personal injury and death caused by alleged defects in our products. Claims for material and non-material damages, and in some cases punitive damages, are asserted. The outcome of individual proceedings, which are generally decided by a jury in a court of first instance, cannot be predicted with certainty. No assurance can be given that Continental will not incur substantial expenses as a result of the final judgments or settlements in some of these cases, or that these amounts will not exceed any provisions set up for these claims. Some subsidiaries in the USA are exposed to relatively limited claims for damages from purported health injuries allegedly caused by products containing asbestos. The total costs for dealing with all such claims and proceedings have amounted to less than €50 million per year since 2006.

Disputes over industrial property rights
Continental could be liable to pay compensation for infringements or could be forced to purchase licenses to continue using technology from third parties. Continental, for example, supplies telecommunication modules that transmit vehicle data, enable voice and internet functionality, and are compatible with cellular communication standards. In this respect, there is a risk that Continental may now be dependent on licenses and the conditions under which they are granted to customers in order to use patents relating to these standards (standard essential patents), especially in the field of telecommunications standards such as 3G, 4G or 5G, as Continental was in some cases denied the acquisition of its own licenses in the year under review. Continental has formed provisions to cover the risks of any compensation payments in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

Regulatory proceedings
In May 2005, the Brazilian competition authorities (Conselho Administrativo de Defesa Econômica, CADE) opened investigations against Continental's Brazilian subsidiary Continental Brasil Industria Automotiva Ltda., Guarulhos, Brazil (CBIA), following a complaint of anticompetitive behavior in the area of commercialization of tachographs. On August 18, 2010, the Brazilian antitrust authorities determined an "invitation to cartel" and imposed a fine of BRL 12 million (around €2 million) on CBIA, which was then reduced to BRL 11 million (around €2 million). CBIA denies the accusation that it has infringed Brazilian antitrust law. Although the court of first instance appealed to by CBIA upheld the decision, on CBIA's further appeal the next higher court annulled this decision and remanded the matter. In February 2023, the court of first instance rendered a verdict against CBIA and lifted the ban on the enforcement of the financial penalty against CBIA (at that time an amount of around BRL 34 million [around €5 million]). CBIA filed a motion for clarification requesting that the preliminary injunction against enforcement remain in full force up until a final and unappealable ruling is made. This motion was denied, and CBIA filed an appeal against this decision. In December 2024, CBIA participated in an initiative by CADE to settle the long-standing proceedings without admission of guilt by the company in exchange for a considerable reduction in the fine. Accordingly, CBIA concluded a settlement agreement with CADE under which CBIA must pay BRL 14 million (around €2 million) to CADE in 2025. CBIA has withdrawn its final appeal (on the condition that CADE's settlement measures are finalized). Once the payment has been made and the appeal withdrawn, the case will be closed. Third parties may, in addition, claim damages from CBIA.

On October 2, 2006, South African antitrust authorities received a complaint from a third party accusing several South African tire manufacturers of alleged antitrust behavior, including Continental Tyre South Africa (Pty.) Ltd., Port Elizabeth, South Africa (CTSA), a subsidiary of Continental. On August 31, 2010, the South African antitrust authorities came to the conclusion that CTSA had violated South African antitrust law and referred the matter to the responsible antitrust court for decision. CTSA denies the allegation of infringements of South African antitrust law. However, the tribunal could impose a fine of up to 10% of CTSA's sales. In addition, third parties may also claim damages from CTSA in case of an infringement of South African competition law.

As a result of investigations by the US Department of Justice (DOJ) and the Korea Fair Trade Commission (KFTC) in connection with suspected involvement in violations of US and South Korean antitrust law in the instrument cluster business, which came to light in 2012, the KFTC imposed a fine on Continental Automotive Electronics LLC, Bugang-myeon, South Korea (CAE), at the end of 2013, the final amount of which was set in 2018 at KRW 32,101 million (around €21 million). In the USA, CAE and Continental Automotive Korea Ltd., Seongnam-si, South Korea, agreed in 2015 to pay a fine of US $4 million (approximately €4 million). In the proceedings relating to class action lawsuits filed in the USA and Canada for alleged damages resulting from the antitrust violations, settlements totaling US $5 million (around €5 million) were concluded in the USA in 2018 and settlements totaling around CAN $0.6 million (around €0.4 million) concluded in Canada in 2020. The risk of investigations by other antitrust authorities into this matter and claims for damages by further alleged victims remain unaffected by the fines imposed.

As a result of investigations that came to light in 2014, the European Commission imposed a fine of €44 million on Continental AG; Continental Teves AG & Co. oHG, Frankfurt am Main, Germany; and Continental Automotive GmbH, Hanover, Germany; on February 21, 2018, for the unlawful exchange of information. This involved specific brake components. Continental has paid this fine. Customers have since approached Continental to claim for damages, in some cases for specific amounts. Mercedes-Benz Group AG filed for declaratory judgment action with the Hanover District Court against Continental AG and two other companies of the Continental Group in December 2022, which initially related only to claims from remuneration in 2008/09. This declaratory judgment action was converted to an action for performance in April 2024. In April 2023, several companies of the Stellantis Group as well as several companies of the Renault Group filed a civil lawsuit in each case against Continental AG and two other companies of the Continental Group as well as several ZF and Bosch companies before the High Court in London, United Kingdom. Both the Renault Group and the Stellantis Group have since withdrawn their lawsuits. In addition, two class action lawsuits have been filed in Canada against Continental AG and several of its subsidiaries. These proceedings were settled in November 2024. Final closure of these class action lawsuits is expected in the first half of 2025, subject to court approval. Continental believes that these claims and the lawsuit by Mercedes-Benz are without merit. However, should the lawsuits lead to a judgment against Continental, the resulting expenses could be substantial and exceed the provision set aside for this purpose. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

On March 3, 2021, the Brazilian antitrust authorities (CADE), acting on the basis of the issues addressed by the European Commission and described above, formally initiated proceedings against Continental Teves AG & Co. oHG, Frankfurt am Main, Germany, and certain former employees for alleged unlawful exchange of competition-sensitive information concerning hydraulic brake systems. Continental considers it possible that these proceedings will end with a fine. Continental is therefore unable to predict in any reliable way what the outcome of these proceedings will be. If Continental is found responsible for any violation, CADE could impose a fine on the company of 0.1% to 20% of the revenue generated by the company or by the Continental Group in Brazil in the year prior to when the administrative proceedings were launched (2020). Non-pecuniary penalties may also be possible. Furthermore, customers purportedly affected by the alleged exchange of information could claim for damages if indeed a violation of Brazilian antitrust law is established.

Since 2020, the public prosecutor's office in Hanover has been conducting investigative proceedings against former employees as well as former board members of Continental AG suspected of committing criminal acts and breaches of supervisory duties in connection with the development and use of illegal defeat devices in diesel and gasoline engines of multiple automotive manufacturers. The fine proceedings conducted by the public prosecutor's office in Hanover against Continental AG and other group companies in this regard were legally concluded in the second quarter of 2024 by payment of a fine totaling €100 million. The company had already made appropriate provisions.

Vitesco Technologies and Continental AG, acting on the basis of and in accordance with contractual provisions, particularly those set forth in the corporate separation agreement concluded as part of the spin-off of Vitesco Technologies, reached an agreement regarding the appropriate allocation of costs and liabilities from the investigations conducted by the public prosecutor's offices in Frankfurt am Main (until the end of 2022) and Hanover. Accordingly, Vitesco Technologies paid Continental €125 million in the third quarter.

As part of industry-wide searches, the European Commission began conducting a search of the premises of Continental AG on January 30, 2024, due to alleged antitrust violations. On the same day, Germany's Federal Cartel Office (Bundeskartellamt) searched the premises of TON Tyres Over Night Trading GmbH, Schondra-Schildeck, Germany, a subsidiary of Continental, also due to alleged industry-wide antitrust violations. Both proceedings are at an early stage. In the event that Continental is responsible for any such violation, the European Commission and the Bundeskartellamt could each impose substantial fines. Furthermore, customers purportedly affected by the alleged exchange of information could claim for damages. In this context, class action lawsuits have already been filed in the USA and Canada against Continental and other tire manufacturers. The lawsuits in the USA have been consolidated before the United States District Court, Northern District of Ohio. The defendant tire manufacturers have filed motions to dismiss the lawsuits and are awaiting the court's decision. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made with regard to the proceedings and the related measures so as not to adversely affect the company's interests.

Since the first half of 2024, a number of Continental Group companies have been investigated by Italian authorities for failure to submit tax returns for tax periods from 2016 onwards. In conjunction with this, in October 2024 the Italian authorities began a company audit of Continental AG as the parent company for the fiscal years 2016 to 2023. Continental is fully cooperating with the investigating authorities and is clarifying this matter internally. Continental has formed provisions to cover any risks in this regard. In accordance with IAS 37.92 and GAS 20.154, no further disclosures will be made so as not to adversely affect the company's interests.

On September 24, 2024, the Turkish Competition Authority (TCA) conducted a search of the business premises of Otomotiv Lastikleri Tevzi AS (OLTAS), Istanbul, Türkiye, due to alleged antitrust violations. On December 3, 2024, the TCA published its notice of investigation and initiated an in-depth investigation into the matter. The proceedings are at an early stage. Continental is unable to predict in any reliable way what the outcome of these proceedings will be. In the event that OLTAS is responsible for any violation, the TCA could impose substantial fines. Furthermore, any customers affected by the alleged infringements could claim damages.

37. Contingent Liabilities and Other Financial Obligations

€ millions	**Dec. 31, 2024**	Dec. 31, 2023
Liabilities on guarantees[1]	39	41
Liabilities on warranties	0	0
Risks from taxation and customs	59	52
Other financial obligations	9	9
Other contingent liabilities	24	31
Contingent liabilities and other financial obligations	**131**	**133**

1 The prior-year figure has been adjusted.

As in previous years, contingent liabilities related to guarantees for the liabilities of affiliated companies and third parties not included in consolidation and to contractual warranties. To the best of our knowledge, the underlying obligations will be fulfilled in all cases. Utilization is not anticipated.

The other financial obligations relate in part to the acquisition of companies now owned by the Continental Group.

The Continental Group could be subject to obligations relating to environmental issues under governmental laws and regulations, or as a result of various claims and proceedings that are pending or that might be made or initiated against it. Estimates of future expenses in this area are naturally subject to many uncertainties, such as the enactment of new laws and regulations, the development and application of new technologies and the identification of contaminated land or buildings for which the Continental Group is legally liable.

In connection with the carve-out of Vitesco Technologies, individual customers of the Vitesco Technologies Group were granted contract performance guarantees valid until December 31, 2024. To the best of our knowledge, the companies concerned will be able to fulfill the underlying obligations in all cases. No claims have been made.

Open purchase commitments for property, plant and equipment amounted to €540 million (PY: €676 million).

38. Earnings per Share

Basic earnings per share increased in 2024 to €5.84 (PY: €5.78), the same amount as diluted earnings per share. In both the period under review and the previous year, there were no dilutive effects such as interest savings on convertible bonds or warrant-linked bonds (after taxes). There were also no dilutive effects from stock option plans or the assumed exercise of convertible bonds.

€ millions/millions of shares	**2024**	2023
Net income attributable to the shareholders of the parent	1,168	1,156
Weighted average number of shares issued	200	200
Basic earnings per share in €	**5.84**	**5.78**

39. Events After the End of the Reporting Period

Continental announced restructuring measures in the Automotive and ContiTech segments after the end of the reporting period. These are expected to result in additions to personnel restructuring provisions in the Automotive segment amounting to a low nine-figure sum. The agreed measures are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.

In the ContiTech segment, additions to personnel restructuring provisions amounting to a mid eight-figure sum are expected. The agreed measures in the ContiTech segment are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.

Other than this, there were no significant events after December 31, 2024.

40. Auditor's Fees

For fiscal 2024, a global fee of €19 million (PY: €17 million) was agreed for the audit of the consolidated financial statements, including the combined non-financial statement; the interim financial statements and the separate financial statements of the subsidiaries (including exchange-rate differences). Other assurance services primarily comprise statutory and non-statutory audits (including sustainability reporting) as well as non-statutory assurance services performed in the context of IT projects. Other services were performed only to a limited extent.

The following fees were recognized in consolidated expenses for the auditor elected by the Annual Shareholders' Meeting:

	2024		2023	
€ millions	**Continental Group**	**thereof Germany**	Continental Group	thereof Germany
Audit of financial statements	19	9	17	7
Other assurance services	4	3	2	1
Tax advisory services	0	–	0	–
Other services provided to the parent company or its subsidiaries	0	0	0	0
Total	**23**	**12**	**19**	**9**

The figures to be disclosed in accordance with Section 314 (1) No. 9 of the German Commercial Code *(Handelsgesetzbuch – HGB)* are determined pursuant to standard IDW RS HFA 36 of the Institut der Wirtschaftsprüfer in its revised version of September 8, 2016.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and its registered branches are deemed the auditor. Services rendered abroad were provided by PricewaterhouseCoopers network companies.

41. Transactions with Related Parties

Remuneration of the Executive Board and the Supervisory Board
The remuneration of the Continental Group's key management personnel that must be disclosed in accordance with IAS 24, *Related Party Disclosures*, comprises the remuneration of the active members of the Executive Board and the Supervisory Board.

The remuneration of the active members of the Executive Board in the respective years was as follows:

€ thousands	**2024**	2023
Short-term benefits	9,235	10,188
Service cost relating to post-employment benefits	4,310	3,657
Termination benefits	36	–
Share-based payment	5,031	9,473
Total	**18,612**	**23,318**

The total remuneration of the members of the Executive Board comprises a number of remuneration components. These include a remuneration component that is unrelated to performance, including specific additional benefits and entitlement to a company pension, and a variable component that is based on performance, consisting of a short-term remuneration component and long-term remuneration components.

Additional benefits include (i) provision of a company car, which can also be for personal use, (ii) reimbursement of travel expenses, as well as relocation costs and expenses for running a second household, where this is required for work reasons, (iii) a regular health check, (iv) directors' and officers' (D&O) liability insurance with deductible in accordance with Section 93 (2) Sentence 3 *AktG*, (v) accident insurance, (vi) the employers' liability insurance association contribution including, where necessary, income tax incurred as a result, as well as (vii) health insurance and long-term care insurance contributions based on Section 257 of Book V of the German Social Code *(SGB V)* and Section 61 of Book XI of the German Social Code *(SGB XI)*.

In accordance with the regulations in force until December 31, 2023, each Executive Board member appointed until this date was granted (as part of their future benefit rights) post-employment benefits paid starting at the age of 63, but not before leaving the service of Continental AG (hereinafter "insured event"). From January 1, 2014, the company pension for the members of the Executive Board was changed to a defined contribution commitment. A capital component is credited to the Executive Board member's pension account each year. To determine this, a fixed contribution, agreed by the Supervisory Board in the Executive Board member's service agreement, is multiplied by an age factor that represents an appropriate return. For members of the Executive Board who were already in office prior to January 1, 2014, the future benefit rights accrued until December 31, 2013, have been converted into a starting component in the capital account. When the insured event occurs, the benefits are paid out as a lump sum, in installments or – as is normally the case due to the expected amount of the benefits – as a pension. Post-employment benefits must be adjusted after commencement of such benefit payments by 1% p.a. in accordance with Section 16 (3) No. 1 of the German Company Pensions Law *(Betriebsrentengesetz – BetrAVG)*.

The variable components that are based on performance comprise a short-term remuneration component (performance bonus without equity deferral) as well as long-term remuneration components (long-term incentive and equity deferral of the performance bonus). For the variable remuneration components, before the start of each fiscal year, target criteria are determined by the Supervisory Board with a view to its strategic goals, the provisions of Sections 87 and 87a *AktG* and the German Corporate Governance Code in its respective valid version, whereby the degree to which these criteria are met will determine the actual amount paid out.

The Supervisory Board may take the function and area of responsibility of the individual members of the Executive Board into account with regard to the amount of the total target-based remuneration. As part of this, shares of the individual remuneration component for the total target-based remuneration are indicated below in percentage ranges. The precise shares therefore vary depending on the functional differentiation as well as any adjustments made as part of the annual remuneration review.

The fixed annual salary comprises 20% to 30% of the target total remuneration, the performance bonus (excluding equity deferral) between 17% and 22%, and the equity deferral and long-term incentive between 33% and 38%. The pension allowance makes up around 7% to 9% of the target total remuneration. For Executive Board members appointed prior to January 1, 2024, the future benefit rights account for around 13% to 28% of the target total remuneration, while the additional benefits make up around 1% of the target total remuneration.

For a more detailed description of the remuneration system's variable components based on performance as well as the obligations due, please see Note 28.

Provisions for defined benefit obligations of current members of the Executive Board amount to €26 million (PY: €23 million).

Provisions for severance payments and other salaries for active Executive Board members and those who departed in the previous year and earlier years amounted to €0 million in the reporting year (PY: €9 million).

The total remuneration granted to the Executive Board of Continental AG in 2024 in accordance with Section 314 (1) No. 6 of the German Commercial Code *(Handelsgesetzbuch – HGB)* amounted to €17 million (PY: €19 million). That total remuneration also included, in addition to short-term benefits of €9 million (PY: €10 million), a newly granted long-term incentive plan totaling €6 million (PY: €6 million) and the equity deferral of the performance bonus of €2 million (PY: €3 million).

The fair value of the 2024 LTI plan as at the grant date, assuming full vesting, was €5 million (PY: €4 million for the 2023 LTI plan).

Moreover, former members of the Executive Board and their surviving dependents received payments totaling €9 million (PY: €10 million). Provisions for pension obligations for former members of the Executive Board and their surviving dependents amounted to €147 million (PY: €151 million).

Remuneration paid to the members of Continental AG's Supervisory Board, including meeting fees, totaled €5 million in the past fiscal year (PY: €5 million).

As in 2023, no advances or loans were granted to members of Continental AG's Executive Board or Supervisory Board in 2024.

The table below shows the transactions with related parties other than subsidiaries.

	Income		Expenses		Accounts receivable		Accounts payable	
€ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Non-consolidated companies								
Ordinary business activities	20	17	6	2	8	6	6	4
Other	1	1	0	0	–	4	–	2
Associates								
Ordinary business activities	34	37	150	139	9	14	33	28
Financing	0	0	9	6	0	14	–	233
Other	–	0	–	–	0	–	–	–
Joint ventures								
Ordinary business activities	30	55	3	21	18	21	84	88
Financing	1	2	0	0	0	25	–	1
Schaeffler Group[1]								
Ordinary business activities	359	700	429	626	60	512	48	65
Other	126	4	0	0	7	8	0	–
Total	**570**	**816**	**597**	**795**	**103**	**605**	**171**	**419**

1 All disclosures constitute transactions with the Schaeffler Group/Vitesco Technologies (until the merger on October 1, 2024). The comparative period is presented accordingly.

Transactions with related parties other than subsidiaries were conducted on an arm's length basis. Ordinary business activities comprise the purchase or sale of goods and other assets as well as rendered or received services.

The expenses and income from ordinary business activities with the Schaeffler Group mainly resulted from payments in accordance with IFRS 16, *Leases*, due to contract manufacturing. Please refer to Note 15 for further information.

The other income with the Schaeffler Group mainly includes the payment of €125 million arising from the agreement regarding the appropriate allocation of costs and liabilities from the investigations conducted by the public prosecutor's offices in Frankfurt am Main (until the end of 2022) and Hanover.

Notices in accordance with the German Securities Trading Act *(Wertpapierhandelsgesetz – WpHG)*
From the start of the fiscal year to the time of the preparation of the financial statements, we received the following notifications in accordance with Section 33 (1) *WpHG* on holdings in Continental AG and published them in accordance with Section 40 (1) *WpHG*. In the event of the same party reaching, exceeding or falling below the threshold stated in this provision on multiple occasions, only the most recent notification is shown. Notifications from earlier fiscal years about the existence of voting rights shares of at least 3% are still disclosed as at the end of the reporting period. The provisions for notifications from fiscal years prior to 2018 relate to the version of the *WpHG* valid until January 2, 2018.

BlackRock, Inc., Wilmington, Delaware, USA, notified us on October 4, 2024, that its share of voting rights in Continental AG on October 1, 2024, amounted to 3.26%.

- 3.11% of these voting rights (6,228,523 voting rights with the security identification number DE0005439004) are attributed to the company in accordance with Section 34 *WpHG*.
- 0.05% of these voting rights (106,941 voting rights with the security identification number US2107712000) are attributed to the company in accordance with Section 34 *WpHG*.
- 0.09% of these voting rights (177,591 voting rights) are attributed to the company as instruments in accordance with Section 38 (1) No. 1 *WpHG* (Lent Securities).

Lazard Asset Management LLC, Wilmington, Delaware, USA, notified us on November 30, 2023, that its share of voting rights in Continental AG exceeded the threshold of 3% on November 29, 2023, and amounted to 3.01%.

- 2.67% of these voting rights (5,341,040 voting rights with the security identification number DE0005439004) were attributed to the company in accordance with Section 34 *WpHG*.
- 0.34% of these voting rights (690,287 voting rights with the security identification number US2107712000) were attributed to the company in accordance with Section 34 *WpHG*.

Lazard Asset Management LLC, Wilmington, Delaware, USA, notified us on December 1, 2023, that its share of voting rights in Continental AG fell below the threshold of 3% on November 30, 2023, and amounted to 2.75%.

- 2.67% of these voting rights (5,338,848 voting rights with the security identification number DE0005439004) were attributed to the company in accordance with Section 34 *WpHG*.
- 0.08% of these voting rights (171,996 voting rights with the security identification number US2107712000) were attributed to the company in accordance with Section 34 *WpHG*.

Harris Associates L.P., Wilmington, Delaware, USA, notified us on December 4, 2024, that Harris Associates Investment Trust held a share of voting rights in Continental AG on November 29, 2024, amounting to 4.9998434296%. This corresponds to 9,999,986 voting rights attributed to Harris Associates Investment Trust in accordance with Section 34 *WpHG*.

Harris Associates Investment Trust, Boston, Massachusetts, USA, notified us on April 21, 2021, that its share of voting rights in Continental AG on April 19, 2021, amounted to 3.000042253736%. This corresponds to 6,000,264 voting rights in accordance with Section 33 *WpHG*.

By way of a letter dated January 4, 2016, we received notification that:

- the share of voting rights in Continental AG held by ATESTEO Management GmbH (still operating as Schaeffler Familienholding Eins GmbH as at December 31, 2015), Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- the share of voting rights in Continental AG held by ATESTEO Beteiligungs GmbH (still operating as Schaeffler Familienholding Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany, fell below the threshold of 3% of voting rights on December 31, 2015, due to restructuring within the corporation and amounted to 0.00% at this time.
- the share of voting rights in Continental AG held by IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 35.99%.
- the share of voting rights in Continental AG held by IHO Beteiligungs GmbH (still operating as Schaeffler Verwaltungs GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, amounted to 10.01%. Another 35.99% of the voting rights in Continental AG are attributed to the company in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to IHO Holding GmbH & Co. KG (still operating as Schaeffler Holding GmbH & Co. KG as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to IHO Management GmbH (still operating as Schaeffler Management GmbH as at December 31, 2015), Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.
- 46.00% of the voting rights in Continental AG are attributed to Schaeffler Holding LP, Dallas, Texas, USA, on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

- 46.00% of the voting rights in Continental AG are attributed to Mrs. Maria-Elisabeth Schaeffler-Thumann on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

- 46.00% of the voting rights in Continental AG are attributed to Mr. Georg F. W. Schaeffler on December 31, 2015, in accordance with Section 22 (1) Sentence 1 No. 1 *WpHG*.

As a result of the withdrawal of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, from Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, on December 31, 2015, the investment held by Schaeffler Beteiligungsholding GmbH & Co. KG, Herzogenaurach, Germany, in Continental AG accrued to IHO Verwaltungs GmbH (still operating as Schaeffler Verwaltung Zwei GmbH as at December 31, 2015), Herzogenaurach, Germany. The investment held by Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, as well as the investment by its co-owners; by Schaeffler Familienholding Eins GmbH, Herzogenaurach, Germany; and by Schaeffler Familienholding Zwei GmbH, Herzogenaurach, Germany, in Continental AG accordingly ceased to exist. As a result of a subsequent further accrual and termination without liquidation of Schaeffler Familienholding Drei GmbH & Co. KG, Herzogenaurach, Germany, this company's notification obligation in accordance with the *WpHG* ceased to apply on January 1, 2016.

In 2024 and until February 26, 2025, inclusively, the members of the Executive Board held shares representing a total interest of less than 1% of the share capital of the company. Shares representing 46.00% of the voting share capital of the company were attributable to the member of the Supervisory Board Mr. Georg F. W. Schaeffler. In 2024 and until February 26, 2025, inclusively, the other members of the Supervisory Board held shares representing a total interest of less than 1% of the share capital of the company.

42. List of Shareholdings of the Continental Group

Further information on equity investments can be found in the list of the Continental Group's shareholdings in accordance with Section 313 of the German Commercial Code *(Handelsgesetzbuch – HGB)*, which is published as part of the consolidated financial statements in the German Federal Gazette *(Bundesanzeiger)*. The consolidated financial statements with the list of the Continental Group's shareholdings are also made available for inspection by the shareholders in the business premises at the company's headquarters from the date on which the Annual Shareholders' Meeting is convened, and from that point in time are available together with the additional documents and information in accordance with Section 124a of the German Stock Corporation Act *(Aktiengesetz – AktG)* online at www.continental-ir.com.

Statutory exemption provisions applying to German companies

The following German companies and partnerships utilized the exemption provisions of Section 264 (3) *HGB* and Section 264b *HGB*:

Company	Registered office
ADC Automotive Distance Control Systems GmbH	Lindau
A-Z Formen- und Maschinenbau GmbH	Runding-Langwitz
balance GmbH, Handel und Beratungsservice im Gesundheitswesen	Hanover
Benecke-Kaliko AG	Hanover
CAS-One Holdinggesellschaft mbH	Hanover
C1TT GmbH	Hanover
CAT-One GmbH	Ingolstadt
Conseo GmbH	Hamburg
ContiMotion GmbH	Hanover
Conti Temic microelectronic GmbH	Nuremberg
Conti Versicherungsdienst Versicherungsvermittlungsges. mbH	Hanover
Continental Advanced Antenna GmbH	Hildesheim
Continental Aftermarket & Services GmbH	Schwalbach am Taunus
Continental Automotive GmbH	Hanover
Continental Automotive Grundstücksges. mbH	Frankfurt am Main
Continental Automotive Technologies GmbH	Hanover
Continental Autonomous Mobility Germany GmbH	Ingolstadt
Continental Caoutchouc-Export-GmbH	Hanover

Company	Registered office
Continental Engineering Services & Products GmbH	Ingolstadt
Continental Engineering Services GmbH	Frankfurt am Main
Continental Finance GmbH	Hanover
Continental Fuel Storage Systems GmbH	Hanover
Continental Reifen Deutschland GmbH	Hanover
Continental Safety Engineering International GmbH	Alzenau
ContiTech Antriebssysteme GmbH	Hanover
ContiTech Deutschland GmbH	Hanover
ContiTech Elastomer-Beschichtungen GmbH	Hanover
ContiTech Kühner Beteiligungsgesellschaft mbH	Hannover
ContiTech Luftfedersysteme GmbH	Hanover
ContiTech MGW GmbH	Hannoversch Münden
ContiTech Schlauch GmbH	Hanover
ContiTech Techno-Chemie GmbH	Karben
ContiTech Transportbandsysteme GmbH	Hanover
ContiTech Vibration Control GmbH	Hanover
ContiTech-Universe Verwaltungs-GmbH	Hanover
co-pace GmbH	Hanover
Eddelbüttel + Schneider GmbH	Hamburg
Elektrobit Automotive GmbH	Erlangen
Formpolster GmbH	Hanover
Hornschuch-Markt GmbH	Weißbach
Hornschuch Stolzenau GmbH	Weißbach
kek-Kaschierungen GmbH	Herbolzheim
Konrad Hornschuch AG	Weißbach
MISA-Beteiligungs GmbH	Hanover
MISA GmbH & Co. KG	Hanover
Phoenix Beteiligungsgesellschaft mbH	Hamburg
Phoenix Compounding Technology GmbH	Hamburg
Phoenix Conveyor Belt Systems GmbH	Hamburg
Phoenix Vermögensverwaltungsgesellschaft mbH	Hamburg
REG Reifen-Entsorgungsgesellschaft mbH	Hanover
STEINEBRONN BETEILIGUNGS-GMBH	Oppenweiler
TON Tyres Over Night Trading GmbH	Schondra-Schildeck
Union-Mittelland-Gummi-GmbH & Co. Grundbesitz KG	Hanover
Vergölst GmbH	Bad Nauheim

43. German Corporate Governance Code/Declaration in Accordance with Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)*

The declaration required in accordance with Section 161 of the German Stock Corporation Act *(Aktiengesetz – AktG)* was issued by the Executive Board and Supervisory Board in December 2024, and is available to our shareholders online at www.continental.com in the Company section under Corporate Governance.

44. Report on Subsequent Events

As at February 26, 2025, there were no events or developments that could have materially affected the measurement and presentation of individual asset and liability items as at December 31, 2024.

Aside from this, Continental announced restructuring measures in the Automotive and ContiTech segments after the end of the reporting period. These are expected to result in additions to personnel restructuring provisions in the Automotive segment amounting to a low nine-figure sum. The agreed measures are to be initiated from 2025 onward and will be carried out gradually until the end of 2026. In the ContiTech segment, additions to personnel restructuring provisions amounting to a mid eight-figure sum are expected. The agreed measures in the ContiTech segment are to be initiated from 2025 onward and will be carried out gradually until the end of 2026.

Further Information

Responsibility Statement by the Company's Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the earnings, financial and net assets position of the Continental Group, and the consolidated management report includes a fair review of the development and performance of the business and the position of the Continental Group, together with a description of the principal opportunities and risks associated with the expected development of the Continental Group.

Hanover, February 26, 2025

Continental AG
The Executive Board

Members of the Executive Board and Their Directorships

List of the positions held by the Executive Board members on statutory supervisory boards and on comparable controlling bodies of companies in Germany and abroad:

Nikolai Setzer
Chairman
Group Communications and Public Affairs
Group Strategy
Group Purchasing (since May 1, 2024)
Group Information Technology (since July 1, 2024)
Contract Manufacturing Group Sector
Chinese Market

Katja Garcia Vila
Group Finance and Controlling (until June 30, 2024)
Group Information Technology (until June 30, 2024)
- Continental Automotive Technologies GmbH, Hanover* (Chairwoman, until June 30, 2024)
- Continental Reifen Deutschland GmbH, Hanover* (until May 28, 2024)
- Merck KGaA, Darmstadt (since April 26, 2024)

Philipp von Hirschheydt
Automotive Group Sector

Christian Kötz
Tires Group Sector
Group Purchasing (until April 30, 2024)
- Continental Reifen Deutschland GmbH, Hanover* (Chairman)
- Continental Tire Holding US LLC, Wilmington, Delaware, USA*
- Continental Tire the Americas, LLC, Columbus, Ohio, USA*

Philip Nelles
ContiTech Group Sector
- Benecke-Kaliko AG, Hanover*
- ContiTech USA, Inc., Fairlawn, Ohio, USA*

Dr. Ariane Reinhart
Group Human Relations
Director of Labor Relations
Group Sustainability
- Vonovia SE, Düsseldorf
- Evonik Industries AG, Essen

Olaf Schick
Group Finance and Controlling (since July 1, 2024)
Group Compliance
Group Internal Audit
Group Law and Intellectual Property
Group Quality, Technical Compliance, Continental Business System and Environment
Group Risks and Controls

* *Companies pursuant to Section 100 (2) of the German Stock Corporation Act (Aktiengesetz – AktG).*

Members of the Supervisory Board and Their Directorships

Memberships of other statutory supervisory boards and of comparable controlling bodies of companies in Germany and abroad:

Prof. Dr.-Ing. Wolfgang Reitzle, Chairman
Member of various supervisory boards
- Ivoclar Vivadent AG, Schaan, Liechtenstein
- Axel Springer SE, Berlin
- HAWESKO Holding AG, Hamburg

Christiane Benner*, Vice Chairwoman
First Chairwoman of IG Metall
- BMW AG, Munich (until May 15, 2024)

Hasan Allak*
Chairman of the Corporate Works Council of Continental AG and Chairman of the Works Council of Continental Reifen Deutschland GmbH, Stöcken, Hanover
- Continental Reifen Deutschland GmbH, Hanover**

Dr. Kevin Borck* (since September 16, 2024)
Head of Marketing & Strategy for the Industrial Solutions EMEA business area, ContiTech

Dorothea von Boxberg
Chief Executive Officer of Brussels Airlines SA/NV, Brussels, Belgium

Stefan E. Buchner
Member of various supervisory boards
- thyssenkrupp AG, Essen
- Mosolf SE & Co. KG, Kirchheim unter Teck
- HÖRMANN Holding GmbH & Co. KG, Kirchseeon

Dr. Gunter Dunkel
Chairman of European Private Debt, Muzinich & Co., London, United Kingdom
- DEVnet AG, Munich

Dr. Matthias Ebenau* (since April 26, 2024)
Trade Union Secretary and First Authorized Representative of IG Metall Hanau-Fulda

Francesco Grioli*
Member of the Central Board of Executive Directors of IG Bergbau, Chemie, Energie (Mining, Chemical and Energy Industries Union)
- Gerresheimer AG, Düsseldorf (Vice Chairman, until November 30, 2024)
- Bayer AG, Leverkusen

Michael Iglhaut*
Chairman of the Works Council for the Frankfurt Location

Satish Khatu
Management advisor

Isabel Corinna Knauf
Member of the Shareholders' Committee of the Knauf Group
- Skillet Fork Farms LLP, Wayne City, Illinois, USA (Chairwoman)
- Compagnie Marocaine de Plâtre et d'Enduit S.A., Safi, Morocco
- Knauf S.r.l., Castellina, Italy**

Carmen Löffler*
Chairwoman of the Works Council for the Ingolstadt Location
- Conti Temic microelectronic GmbH, Nuremberg** (Vice Chairwoman)

Sabine Neuß
Managing Partner of NEUSS-TECH-Consult GmbH
- JULI Motorenwerk s.r.o., Moravany, Czech Republic (until June 30, 2024)
- Dellner Couplers AB, Vika, Sweden (since December 19, 2024)

Prof. Dr. Rolf Nonnenmacher
Member of various supervisory boards
- ProSiebenSat.1 Media SE, Unterföhring (until April 30, 2024)

Dirk Nordmann* (until April 26, 2024)
Chairman of the Works Council for the Vahrenwald Plant, ContiTech Antriebssysteme GmbH, Hanover
- ContiTech Luftfedersysteme GmbH, Hanover**

Anne Nothing* (since April 26, 2024)
Chairwoman of the Works Council for the Babenhausen Location

Lorenz Pfau* (until April 26, 2024)
Chairman of the Central Works Council of Continental Automotive Technologies GmbH

Klaus Rosenfeld
Chief Executive Officer of Schaeffler AG, Herzogenaurach
- Vitesco Technologies Group AG, Regensburg** (until September 30, 2024)

Georg F. W. Schaeffler
Family shareholder of INA-Holding Schaeffler GmbH & Co. KG, Herzogenaurach
Managing Director of IHO Verwaltungs GmbH
- Schaeffler AG, Herzogenaurach** (Chairman)
- ATESTEO Management GmbH, Herzogenaurach**
- Vitesco Technologies Group AG, Regensburg** (until September 30, 2024)

Jörg Schönfelder*
Chairman of the Works Council for the Korbach Plant and Chairman of the European Works Council
- Continental Reifen Deutschland GmbH, Hanover** (until May 28, 2024)

Stefan Scholz* (until September 1, 2024)
Head of Finance & Treasury, Continental AG (until August 31, 2024)
- Phoenix Pensionskasse von 1925 VVaG, Hamburg (until November 30, 2024)
- Pensionskasse für Angestellte der Continental Aktiengesellschaft VVaG, Hanover (until November 30, 2024)

Matthias Tote* (since April 26, 2024)
Chairman of the Works Council of Benecke-Kaliko AG, Hanover-Vinnhorst Plant, and Chairman of the Central Works Council, Rubber Group

Elke Volkmann* (until April 26, 2024)
Second Authorized Representative of IG Metall Nordhessen, Administrative Office for North Hesse, Kassel
- Krauss-Maffei Wegmann Verwaltungs GmbH, Munich

Members of the Supervisory Board committees:

1. Chairman's Committee
- Prof. Dr.-Ing. Wolfgang Reitzle (Chairman)
- Hasan Allak
- Christiane Benner
- Georg F. W. Schaeffler

2. Audit Committee
- Prof. Dr. Rolf Nonnenmacher (Chairman)
- Francesco Grioli
- Michael Iglhaut
- Klaus Rosenfeld
- Georg F. W. Schaeffler
- Matthias Tote

3. Nomination Committee
- Prof. Dr.-Ing. Wolfgang Reitzle (Chairman)
- Isabel Corinna Knauf
- Prof. Dr. Rolf Nonnenmacher
- Georg F. W. Schaeffler

4. Mediation Committee required under Section 27 (3) of the German Co-determination Act *(Mitbestimmungsgesetz)*
- Prof. Dr.-Ing. Wolfgang Reitzle (Chairman)
- Hasan Allak
- Christiane Benner
- Georg F. W. Schaeffler

5. Committee for Related Party Transactions
- Prof. Dr.-Ing. Wolfgang Reitzle (Chairman)
- Prof. Dr. Rolf Nonnenmacher

6. Special Emissions Committee***
- Prof. Dr.-Ing. Wolfgang Reitzle (Chairman)
- Prof. Dr. Rolf Nonnenmacher
- Dirk Nordmann

* *Employee representative.*
** *Companies pursuant to Section 100 (2) of the German Stock Corporation Act (Aktiengesetz – AktG).*
*** *The Emissions Committee was dissolved following the conclusion of its investigations by resolution of the Supervisory Board at its meeting on April 26, 2024.*

Ten-Year Review – Continental Group

		2024	2023	2022[1, 2]	2021[3, 4]	2020[4]	2019[5]	2018[6]	2017	2016	2015
Statement of financial position											
Non-current assets	€ millions	19,016	19,165	18,789	19,585	23,118	24,725	23,659	22,038	21,321	19,667
Current assets	€ millions	17,950	18,588	19,138	16,055	16,520	17,844	16,787	15,402	14,854	13,169
Total assets	€ millions	36,966	37,753	37,927	35,640	39,638	42,568	40,445	37,441	36,175	32,836
Shareholders' equity (excl. non-controlling interests)	€ millions	14,351	13,676	13,259	12,216	12,262	15,395	17,850	15,828	14,270	12,786
Non-controlling interests	€ millions	447	449	476	453	377	480	483	462	465	428
Total equity (incl. non-controlling interests)	€ millions	14,798	14,125	13,735	12,669	12,639	15,876	18,333	16,290	14,735	13,214
Equity ratio[7]	%	40.0	37.4	36.2	35.5	31.9	37.3	45.3	43.5	40.7	40.2
Capital expenditure[8, 9]	€ millions	2,204	2,437	2,426	1,947	1,780	3,309	3,124	2,854	2,593	2,179
Free cash flow	€ millions	1,114	1,159	91	1,372	879	762	1,351	1,753	1,771	1,444
Net indebtedness	€ millions	3,712	4,038	4,499	3,766	4,139	4,072	1,661	2,048	2,798	3,542
Gearing ratio	%	25.1	28.6	32.8	29.7	32.7	25.6	9.1	12.6	19.0	26.8
Income statement											
Sales[8]	€ millions	39,719	41,421	39,409	33,765	31,864	44,478	44,404	44,010	40,550	39,232
Share of foreign sales[8]	%	80.4	80.9	82.4	82.6	81.5	81.2	80.1	79.7	79.3	78.6
Cost of sales[8, 10]	%	77.8	78.7	80.8	77.1	76.5	76.2	75.0	74.2	73.4	74.1
Research and development expenses (net)[8, 10]	%	7.3	7.0	7.3	7.7	8.5	7.6	7.2	7.1	6.9	6.2
Selling and logistics expenses[8, 10]	%	6.5	6.1	6.1	7.1	7.1	6.1	5.6	5.5	5.6	5.6
Administrative expenses[8, 10]	%	3.2	3.3	2.8	3.0	3.0	2.5	2.6	2.6	2.5	2.4
EBITDA[8]	€ millions	4,498	4,079	3,966	4,104	2,764	4,977	6,236	6,679	6,057	6,001
EBITDA[8, 10]	%	11.3	9.8	10.1	12.2	8.7	11.2	14.0	15.2	14.9	15.3
EBIT[8]	€ millions	2,287	1,854	755	1,846	-428	-268	4,028	4,562	4,096	4,116
EBIT[8, 10]	%	5.8	4.5	1.9	5.5	-1.3	-0.6	9.1	10.4	10.1	10.5
ROCE[8]	%	11.4	8.9	3.7	10.0	-2.2	-1.0	17.0	20.6	20.0	20.9
Personnel expenses[8]	€ millions	11,219	11,395	10,172	9,437	9,807	11,750	11,125	10,687	9,696	9,165
Depreciation and amortization[8, 11]	€ millions	2,211	2,225	3,211	2,258	3,192	5,246	2,208	2,117	1,962	1,886
Net income attributable to the shareholders of the parent	€ millions	1,168	1,156	67	1,435	-962	-1,225	2,897	2,985	2,803	2,727
Dividend and earnings per share											
Dividend for the fiscal year	€ millions	500[12]	440	300	440	–	600	950	900	850	750
Number of shares as at December 31	millions	200	200	200	200	200	200	200	200	200	200
Dividend per share	€	2.50[12]	2.20	1.50	2.20	–	3.00	4.75	4.50	4.25	3.75
Net income (per share) attributable to the shareholders of the parent	€	5.84	5.78	0.33	7.18	-4.81	-6.13	14.49	14.92	14.01	13.64
Employees											
Annual average[8]	thousands	197	203	195	194	196	244	243	231	216	205

1 In 2023, the presentation of income and expenses in connection with specific warranties, restructuring measures, severance payments, as well as impairment and reversal of impairment losses on intangible assets and property, plant and equipment was changed. They are now assigned to the relevant functional areas. The figures for 2022 have been adjusted accordingly.
2 In 2023, the assignment of income and expenses from certain business activities within the functional areas was adjusted. The figures for 2022 have been adjusted accordingly.
3 The spin-off of Vitesco Technologies on September 15, 2021, resulted in the application of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.
4 In 2022, the methodology used in the consolidated financial statements for recognizing uncertain tax positions was changed. For more information, see Note 2 (General Information and Accounting Principles) of the notes to the consolidated financial statements in the 2022 annual report. The figures for 2021 have been adjusted accordingly.
5 IFRS 16, Leases, has been applied since 2019.
6 IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, have been applied since 2018.
7 Including non-controlling interests.
8 The figure for 2020 has been adjusted in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, and encompasses continuing operations.
9 Capital expenditure on property, plant and equipment, and software.
10 As a percentage of sales.
11 Excluding impairment on financial investments.
12 Subject to the approval of the Annual Shareholders' Meeting on April 25, 2025.

Financial Calendar

2025	
Annual Press Conference	March 4
Analyst and Investor Conference Call	March 4
Annual Shareholders' Meeting	April 25
Quarterly Statement as at March 31, 2025	May 6
Half-Year Financial Report as at June 30, 2025	August 5
Quarterly Statement as at September 30, 2025	November 6

2026	
Annual Press Conference	March
Analyst and Investor Conference Call	March
Annual Shareholders' Meeting	April 29
Quarterly Statement as at March 31, 2026	May
Half-Year Financial Report as at June 30, 2026	August
Quarterly Statement as at September 30, 2026	November

Publication Details

The annual report, the annual financial statements, the half-year financial report and the quarterly statements are available online at: **www.continental-ir.com**

Published by:
Continental Aktiengesellschaft, Hanover, Germany

Continental Aktiengesellschaft
P.O. Box 1 69, 30001 Hanover, Germany
Continental-Plaza 1, 30175 Hanover, Germany
Phone: +49 511 938-01, Fax: +49 511 938-81770
mailservice@conti.de
www.continental.com

The Future in Motion